



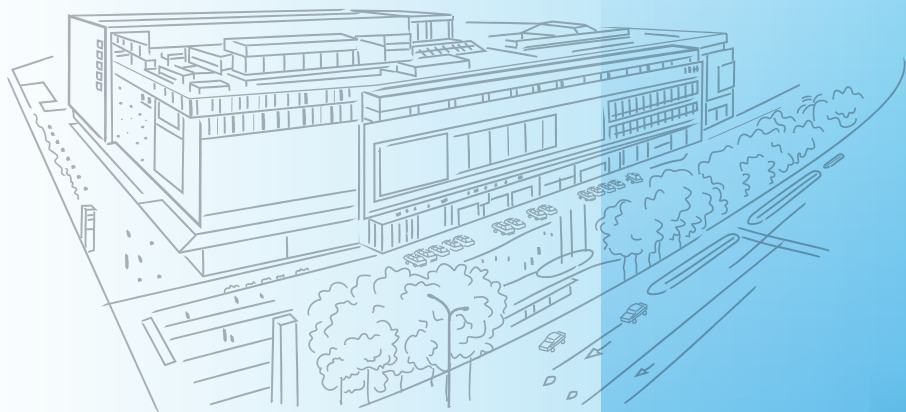
Spring Real Estate Investment Trust

春泉產業信託

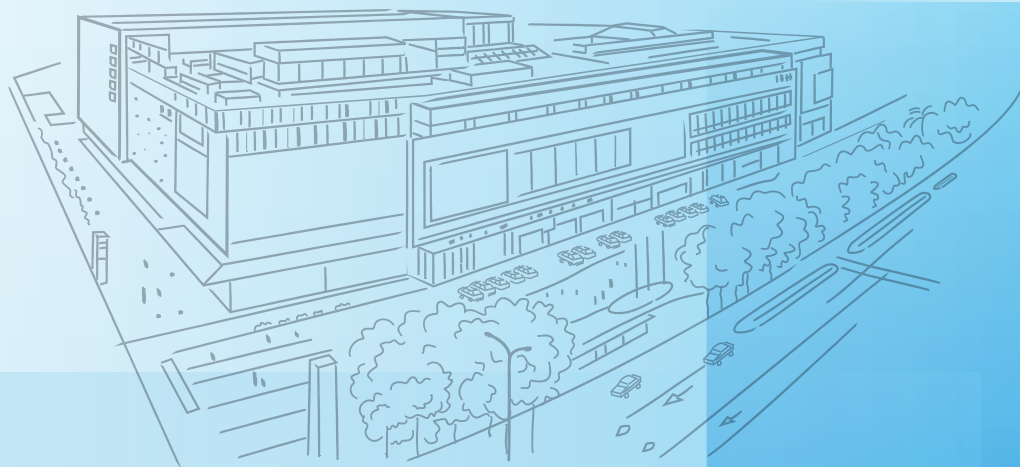
Stock Code : 01426

Managed by

Spring Asset Management Limited



2024
ANNUAL
REPORT



ABOUT SPRING REIT

Spring Real Estate Investment Trust ("**Spring REIT**") is a real estate investment trust constituted by a trust deed entered into on 14 November 2013 as amended and supplemented by the first supplemental deed dated 22 May 2015, the First Amending and Restating Deed dated 28 May 2021 and the Second Amending and Restating Deed dated 20 September 2024 (collectively, the "**Trust Deed**") between Spring Asset Management Limited and DB Trustees (Hong Kong) Limited, as trustee of Spring REIT (the "**Trustee**"). Units of Spring REIT (the "**Units**") were first listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 5 December 2013.

Spring REIT offers investors direct exposure to two premium office buildings strategically located in Beijing Central Business District ("**Beijing CBD**") through its ownership in China Central Place Office Tower 1 and 2 (and the relevant portion of the car park) (the "**CCP Property**") and to a landmark shopping mall Huamao Place in Huizhou, located in Greater Bay Area, which comprises seven-storey shopping mall and 750 carpark spaces (the "**Huamao Place**"). Being the first Hong Kong REIT to make an acquisition in the United Kingdom, Spring REIT's core property portfolio is complimented by a portfolio of 83 separate commercial properties in the United Kingdom ("**UK Portfolio**")¹ which are leased out on a triple-net basis.

ABOUT THE MANAGER

Spring REIT is managed by Spring Asset Management Limited (as manager of Spring REIT, the "**Manager**"), a company incorporated in Hong Kong for the sole purpose of managing Spring REIT. As at 31 December 2024, the Manager is 80.4% owned by Mercuria Holdings Co., Ltd. ("**Mercuria Holdings**"), which is an investment holding company listed on the Tokyo Stock Exchange (Stock Code: 7347) with notable shareholders such as Development Bank of Japan, Itochu Corporation and Sumitomo Mitsui Trust Bank, Limited.

1. The disposal of the UK Portfolio was completed on 28 March 2025.



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PERFORMANCE HIGHLIGHTS

Total Revenue

(RMB million)

FY2024 702.47

FY2023 732.45

Net Property Income

(RMB million)

FY2024 515.29

FY2023 543.26

Net Property Income Margin

(%)

FY2024 73.4

FY2023 74.2

Total Distributable Income

(RMB million)

FY2024 221.25

FY2023 252.14

DPU

(HK cents)

FY2024 16.6

FY2023 19.0

Net Asset Value attributable to Unitholders

(RMB million)

31-Dec-24 5,887.41

31-Dec-23 6,130.66

Property Valuation

(RMB million)

31-Dec-24 11,901.92¹

31-Dec-23 12,039.34

Gearing Ratio

(%)

31-Dec-24 38.0²

31-Dec-23 39.5

1. Property valuation as at 31 December 2024 includes that of the UK Portfolio, the disposal of which was completed on 28 March 2025.

2. If bank borrowing, included in liabilities classified as held for sale (which was referring to the UK Portfolio) were included, the Group's gearing ratio was 41.4% as at 31 December 2024.

DISTRIBUTION

The board of directors (the “**Board**”) of the Manager, for and on behalf of Spring REIT, has resolved to declare a final distribution for the period from 1 July 2024 to 31 December 2024 (the “**Reporting Period**”, “**2H 2024**” or “**2024 Final Distribution Period**”) of HK7.6 cents per Unit (“**2024 Final Distribution**”) to unitholders of Spring REIT (the “**Unitholders**”) whose names appear on the register of Unitholders on 15 April 2025 (the “**Record Date**”). Together with the interim distribution of HK9.0 cents per Unit, total distributions for the year ended 31 December 2024 (“**FY2024**”, “**Reporting Year**”) amounts to a total of HK16.6 cents per Unit (FY2023: HK19.0 cents per Unit), representing a payout ratio of 100% (FY2023: 97.5%).

Based on the closing price of HK\$1.87 per Unit as at 31 December 2024, the Reporting Year Distribution per Unit (“**DPU**”) represents a distribution yield of 8.9%. For details of the distribution, please refer to the section headed “Consolidated Statement of Distributions” in the financial information.

The presentation currency of Spring REIT is Renminbi (“**RMB**”) and all distributions will be paid in Hong Kong Dollars (“**HK\$**”). The exchange rate adopted for the 2024 Final Distribution is HK\$1 = RMB0.9156, which represents the average of month-end central parity rates in the 2024 Final Distribution Period (as announced by the People’s Bank of China).

The Manager confirms that the 2024 Final Distribution is composed only of consolidated profit after tax, before transactions with Unitholders attributable to Unitholders and non-cash adjustments for the 2024 Final Distribution Period.

In accordance with the Trust Deed, the Manager’s current policy is to distribute to Unitholders at least 90% of Total Distributable Income (“**TDI**”) in each financial year. The Manager also has the discretion to direct that Spring REIT makes distributions over and above the minimum 90% of TDI for any financial year if and to the extent that Spring REIT, in the opinion of the Manager, has funds surplus to its business requirements.

The Record Date for the 2024 Final Distribution will be 15 April 2025. The register of Unitholders will be closed for the purpose of determining the identity of Unitholders from 14 April 2025 to 15 April 2025, both days inclusive, during which period no transfer of Units will be registered. The 2024 Final Distribution is expected to be payable on 30 April 2025 to Unitholders whose names appear on the register of Unitholders on the Record Date.

In order to qualify for the 2024 Final Distribution, all completed transfer forms in respect of transfer of Units (accompanied by the relevant Unit certificates) must be lodged for registration with Tricor Investor Services Limited, Spring REIT’s unit registrar in Hong Kong, whose address is 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, no later than 4:30 p.m. on 11 April 2025.

CHAIRMAN'S STATEMENT



**Toshihiro
Toyoshima**

*Chairman and
Non-executive Director*



CHAIRMAN'S STATEMENT

Dear Unitholders,

On behalf of the Board of the Manager, I am pleased to present the financial results of Spring REIT for the financial year ended 31 December 2024.

The macroeconomic landscape confronting Spring REIT in 2024 mirrored the challenges of the previous year. China's economic rebound post-pandemic is still a work in progress, while the persistent high-interest rate environment exerted pressure on borrowing costs and affected investment decisions. Ongoing debt issues within the Chinese real estate sector have eroded confidence in property as an asset class, dampening general business confidence across various sectors. Beijing's office rental market was not immune, and its performance remained lacklustre throughout the Reporting Year due to relatively high vacancy rates and downward pressure on rental prices.

In the face of these complex market conditions, Spring REIT demonstrated resilience by delivering a DPU of HK16.6 cents for the Reporting Year. Despite a 12.6% year-on-year decline in DPU, primarily attributable to pressures in the Beijing office market, Spring REIT remained robust. Its resilience in a context of economic uncertainty was the result of exceptional efforts on the part of the management team of the CCP Property to maintain occupancy levels, along with a strong performance at Huamao Place, its shopping mall asset located in Huizhou in the Greater Bay Area ("GBA"). Spring REIT's financial strength was also underpinned by a proactive capital management strategy that has enabled it to ride fluctuations in interest rates and currency exchange rates successfully, and keep borrowing costs steady.

PERFORMANCE REVIEW

China's economic trajectory in 2024 saw initial optimism giving way to more subdued expectations as the year progressed. While the first half saw growth driven by consumer spending, momentum began to wane from the second quarter onward. Continued challenges in the property market suppressed household confidence, contributing to a deceleration in growth rates. As the year unfolded, businesses adopted an increasingly cautious stance, awaiting government policy easing and stimulus measures to reinvigorate the economy.

This cautious approach continued to impact the Beijing office market, where office rentals experienced ongoing consolidation. Domestic demand remained subdued, with few new domestic tenants entering the market and many existing tenants looking to cut costs or downsize. In this environment, most landlords focused on retaining their existing tenants through rent reductions and other tenant-friendly initiatives, leading to competition between landlords for a relatively small tenant pool. On the positive side, the year brought no new office supply to the Beijing market, and new supply in the Central Business District is not expected until 2026.

Given the muted office market in Beijing, it is pleasing to report that, due to exceptional efforts by its management team, the CCP Property demonstrated its resilience. Average occupancy rate was maintained at 86.1% for the year and 88.5% at the end of the year, although negative rental reversions were the norm for renewals, as part of the strategy adopted to prioritise occupancy over rental returns. The management team also devoted significant time and effort to renewal negotiations, sometimes beginning rental renewal talks up to one year in advance to allow opportunity for reaching an agreement. Generous landlord provisions, and the granting of rent-free periods, became a crucial point of our strategy to retain existing tenants.

CHAIRMAN'S STATEMENT (continued)

Alongside these efforts, the CCP Property management team continued its regular programme of renovation and upgrading of the public areas of the property, such as the lifts, in order to maintain the CCP Property's longstanding reputation for premium quality. These have been accompanied by continuous enhancement in Corporate Social Responsibility ("CSR") and Environmental, Social and Governance ("ESG") initiatives, which are vital in terms of demonstrating a commitment to good corporate citizenship and developing a sense of community among the property's tenants. In 2024, the CCP Property sourced 100% of its electricity from renewable sources, the result of active engagement in Beijing's green electricity trading system, in a move designed to reinforce its commitment to good environmental and sustainability practices.

In April, the CCP Property management team organised a celebration of Earth Day for the building's tenants and the public, which included environmental protection awareness activities that involved collecting and recycling a wide range of different materials. Another CSR activity that proved popular took place in October, when a CCP Cup Badminton Match was organised for all tenants.

Turning to the retail scene in Mainland China, the country saw a decline in new retail supply in the face of the slower than expected recovery in consumption and subdued consumer spending, with a number of shopping malls closing down. A tendency for more affordable shopping has dominated consumption mindset which has resulted in less large-scale luxury spending and greater interest in more moderately priced goods. The catering sector in particular experienced a notable slowdown. Fashion reclaimed its dominant position in the retail landscape, while entertainment, experience-based offerings, and lifestyle services continued to be key focal points for leasing. An interesting development was the emergence of anime culture as a new source of demand in shopping malls. Despite the continuous change in consumption pattern, the overall average occupancy rate in retail spaces in China showed a steady trend. Ground floor rents in prime shopping centres remained stable throughout 2024. These trends paint a picture of a retail market still in the process of recovery, with landlords and retailers adapting their strategies to align with evolving consumer preferences and economic conditions.

Within this environment, Spring REIT's Huamao Place in Huizhou delivered an encouraging 2024 performance. Its full-year performance for 2024 exceeded that of 2023 despite the muted economy. The performance helped mitigate a lower contribution from the Beijing office asset, although Huamao Place operates on a smaller scale and contributes around 32% of Spring REIT's overall revenue as against the 62% contributed by the CCP Property. Acquired in 2022, the year 2024 represents the second full year of contributions by Huamao Place.

Much of the year's success can be attributed to the remarkable efforts of the Huamao Place management team, who have assiduously studied retail trends and developed a range of strategic initiatives to keep the mall at the forefront of Huizhou consumers' minds. The team has worked hard to position the mall as a high-end lifestyle mall and distinguished destination: quite simply, the best place to be seen in the city. In doing this, they have constantly been optimising the mall's spatial layout, creating a fresh and constantly changing appeal; also moving spaces around, regularly culling poorly performing tenants, and fostering a sense of change and growth.

Much effort has been channelled into developing and extending the Huamao Place loyalty programme, which offers a raft of special privileges and is designed to foster a sense of exclusivity and privilege. By the end of 2024, the number of VIP members of the mall's loyalty programme stood at around 945,000 – almost one sixth of the city's entire population of around 6 million people.

CHAIRMAN'S STATEMENT (continued)

During the Reporting Year, Huamao Place has particularly leveraged its large and unique landscaped outdoor area to attract visitors. Featuring one of the biggest LED screens in Huizhou, the space is frequently used for special events and has established a reputation as a popular 'carnival area' for city residents. The mall has also gained a reputation for the number and creativity of its special visitor events. In 2024, these themed events and activities included 'dress-up' days for traditional costumes and cartoon characters, a pet-themed event, e-sports competitions, a coffee festival, dancing performances, anime and cosplay shows, and musical concerts. The result has been a venue widely associated with fun and excitement as well as shopping; Huamao Place is increasingly a place to see and be seen. To further connect with shoppers, the use of social media, especially via social media apps such as Douyin and WeChat are proving hugely popular with customers.

Alongside this, management have been working hard to further enhance the green credentials of the shopping mall, which features rooftop solar panels that are helping to reduce carbon emissions and deliver clear, pollution-free energy to the mall. During the Reporting Year, the mall was awarded LEED Gold Certification, making it the first shopping mall in Huizhou to hold such credentials.

Elsewhere, Spring REIT's UK Portfolio of 83 separate commercial properties, under long-term tenancy, continued to provide a steady and predictable cash flow for Spring REIT.

On capital management, Spring REIT put in place an interest hedging programme before the rate hike cycle began in September 2021. This proactive risk management strategy has proved effective in navigating the turbulent financial landscape of 2024, particularly in addressing the dual challenges of a heightened interest rate and currency fluctuations.

During the Reporting Year, Spring REIT achieved near-complete interest rate exposure protection through a combination of interest rate hedges and exposure to the stable PRC loan prime rate, with 97% of its borrowings covered. The favourable declining trend in the PRC loan prime rate particularly benefited Spring REIT's RMB-denominated borrowings. Additionally, currency risk management was strengthened through a strategic increase of cross-currency swaps from HKD to RMB.

This strategic approach to currency alignment, which includes matching Spring REIT's existing GBP and RMB borrowings with their underlying assets, has significantly improved the currency risk profile. The alignment of the currency exposure of borrowings with their underlying assets rose from 57% as of 31 December 2023 to 83% by the end of 2024. The success of Spring REIT's comprehensive risk management approach is further evidenced by its weighted average cash interest rate (after interest margin and credit adjustment spread) of approximately 3.6% per annum for the Reporting Year, well below current borrowing rates in Hong Kong and the UK markets.

As at 31 December 2024, Spring REIT's gearing ratio (i.e. the ratio of total borrowings to gross asset value) stood at around 38.0%¹, compared to around 39.5% a year ago, with the decrease mainly attributable to reclassification of the UK Portfolio and the corresponding bank loan in the consolidated statement of financial position. It is believed that the current gearing level provides a strong buffer against market volatility, and allows room for growth should strategic opportunities arise.

Meanwhile, Spring REIT has been actively buying back units as they become available. By repurchasing units and reducing the total number of outstanding units, both the DPU and Net Asset Value ("**NAV**") per Unit are being increased. During the Reporting Year, Spring REIT bought back 2.57 million units at an average price of HK\$2.05 per Unit, representing approximately 0.18% of the total issued Units at the end of 2024.

¹ If bank borrowing, included in liabilities classified as held for sale (which was referring to the UK Portfolio) were included, the Group's gearing ratio was 41.4% as at 31 December 2024.

CHAIRMAN'S STATEMENT (continued)

On 9 August 2024, the Securities and Futures Commission (the “**SFC**”) granted Spring REIT a whitewash waiver which was approved by independent unitholders. This waives the Manager's obligation to make a mandatory general offer when the aggregate unitholding of the Manager Concert Group exceeds 30%, as a result of the Manager's receipt of Manager's fees partially in Units. This arrangement enables Spring REIT to continue its practice of paying the Manager's fee partly in Units, preserving cash to maintain steady distributions to Unitholders.

In summary, in the face of a highly competitive Beijing office market environment and pressures affecting the country's retail scene, Spring REIT has been able to maximise the value and potential returns of its key assets through concerted strategic management efforts. These efforts have helped maintain steady occupancy rates at the CCP Property in Beijing, and driven enthusiasm and large-scale visitor uptake at its shopping mall in Huizhou. Alongside these achievements, refinements to its capital management strategies have further enhanced Spring REIT's financial position and provided it with an important buffer against future volatility.

OUTLOOK

In 2025, Spring REIT will endeavour to navigate a complex environment that will be impacted by both global geopolitics and changes in the domestic economy. The Chinese economy is expected to undergo continued positive structural adjustments, including ongoing deleveraging in both the public and private sectors, while its property market is undergoing significant structural shifts. Modest improvements in consumer spending and industrial output have been observed, but the commercial real estate sector continues to face headwinds, with cautious sentiment and weak demand weighing on leasing activity.

The Beijing office market is likely to remain subdued, with high vacancy rates and pressure on Grade A office rents continuing as dominant themes. Competition among landlords is expected to remain fierce as tenants prioritise cost-saving measures or seek higher-quality premises at reduced rates. Rent concessions and flexible leasing terms will likely dominate the market throughout 2025. Spring REIT's CCP Property aims to remain resilient by prioritising occupancy over rental growth, a strategy that helped mitigate the impact of broader market weakness in 2024. However, continued vigilance will be required in 2025 as the market awaits signs of a confirmed recovery. With 18.5% of the property's leases expiring in 2025, Spring REIT will maintain a service-driven strategy focused on providing maximum flexibility to tenants and fully accommodating their business needs.

While the Beijing office market is closely tied to the state of both global and Chinese economies, the performance of Huamao Place in Huizhou is more specifically correlated with domestic consumption trends in the GBA. The GBA has been designated as an area of strategic importance for China's future development. Its population, including that of Huizhou City, is expected to become more affluent due to ongoing urbanisation, economic growth, consumption upgrades, and continued government support. As Huizhou's premier shopping mall, Huamao Place is well-positioned to benefit from the long-term growth of this thriving region.

CHAIRMAN'S STATEMENT (continued)

Having positioned itself as Huizhou's leading shopping mall, Huamao Place has consistently delivered a robust performance, maintaining high occupancy rates and achieving stable rental income in 2024. The mall's tenant mix—including high-tech retailers, dining options, and cosmetics—aligns well with evolving consumer preferences in the GBA. Plans are underway to optimise several underperforming spaces within the property, including repurposing the area previously occupied by a cinema as part of efforts to promote Huamao Place as a premier venue for festive events and celebrations. Renovation work has already begun, and contributions from the newly optimised areas are expected towards the end of 2025. Although short-term rental losses associated with the renovation may impact financial performance in 2025, these changes are anticipated to enhance the long-term appeal of the property. Approximately 36.5% of leases at Huamao Place are set to expire in 2025. With a robust tenant profile already established, Spring REIT is well-positioned to continue benefiting from the mall's status as Huizhou's leading high-end shopping destination.

From a capital management perspective, Spring REIT's earlier decision to lock in interest rates for nearly all its loan exposures proved effective in mitigating interest rate risk during 2024. As of 31 December 2024, approximately 97% of Spring REIT's borrowings were either covered by its interest rate hedging programme or tied to a relatively stable PRC loan prime rate. Additionally, Spring REIT has adopted a proactive approach to currency risk management by closely monitoring RMB movements against the USD and HKD while capitalising on declining RMB borrowing costs. The Manager has entered into HKD-RMB cross-currency swaps ("CCS"), aligning approximately 83% of Spring REIT's total borrowings with the currencies of its underlying assets, thereby further mitigating foreign exchange exposure.

Spring REIT's balance sheet remains robust, with a gearing ratio of approximately 38.0%¹ presented in the consolidated statement of financial position, providing a buffer against macroeconomic fluctuations while allowing room for potential future growth opportunities. Although elevated interest rates continue to impact borrowing costs, they have also contributed positively by moderating global inflation trends. Spring REIT will continue to optimise its financial strategies, leveraging lower borrowing costs where advantageous while maintaining a prudent approach to support growth initiatives. The Manager will closely monitor market conditions and adjust its strategies accordingly.

On 18 February 2025, Spring REIT reached an agreement to divest its UK Portfolio, comprising 83 commercial properties, to an independent third-party buyer. The transaction received 99.99% support at the extraordinary general meeting held on 10 March 2025. Set to be completed on 28 March 2025, it carries an implied property value of GBP73.5 million, slightly above the end-December 2024 appraisal. Spring REIT has undertaken this strategic move with the aim of refocusing on its core market in the PRC, enhancing its financial flexibility, and streamlining its operations. The divestment is expected to reduce the gearing ratio of Spring REIT while having a marginal impact on its DPU and NAV per Unit. Given the timing of the disposal and the current volatile economic environment, our primary focus remains on maintaining a strong balance sheet. The use of the proceeds of the disposal will be subject to prudent financial management, and we want to reassure our stakeholders that we will utilise every penny judiciously. The financial resilience of Spring REIT in the face of economic uncertainties continues to be our top priority.

The macro outlook for 2025 remains uncertain, but fresh stimulus measures are expected from the government to address economic challenges which are likely to boost the domestic business sector and shore up demand for premium office space in the capital city. Meanwhile, Spring REIT's efforts to reinforce its Huizhou Huamao Place as the city's premier shopping and leisure destinations are ongoing, and the mall's success to date bodes well for the coming year. Having shown its resilience in the face of a difficult year, Spring REIT is preparing to work to the best of its ability in 2025 to deliver stable distributions for unitholders in the year ahead.

¹ If bank borrowing, included in liabilities classified as held for sale (which was referring to the UK Portfolio) were included, the Group's gearing ratio was 41.4% as at 31 December 2024.



MANAGEMENT DISCUSSION AND ANALYSIS



OVERVIEW OF SPRING REIT'S PROPERTIES

CCP PROPERTY

Office Tower 1 & Office Tower 2 China Central Place, Beijing

Spring REIT currently offers investors exposure to two premium grade office buildings in Beijing's CBD, namely Office Tower 1 and Office Tower 2 in China Central Place, with a total of approximately 600 car parking lots located in the underground area. The two office buildings have in aggregate a total gross floor area of 120,245 sqm, including 25,127 sqm of car parking space. The CCP Property is strategically located in the southeast corner of Beijing's traditional CBD, in Chaoyang District to the east of the city centre.



HUAMAO PLACE

Seven-storey shopping mall, Huizhou, Greater Bay Area

Through Huamao Place, Spring REIT offers investors exposure to the retail scene in the Greater Bay Area. With a gross floor area of 144,925.07 sqm, the asset comprises: (a) the entire seven-storey shopping mall (including two basement floors); and (b) 700 underground and 50 above-ground carpark spaces. The property is the retail component of a larger integrated development known as "Huizhou Central Place", which is served by major roads and surrounded by other public facilities and attractions such as Huizhou West Lake, Huizhou Museum, Huizhou Science & Technology Museum and Dayun Temple. Expressways and an intercity railway link Huamao Place to the rest of the Greater Bay Area. Through this landmark shopping mall in the heart of Huizhou, investors are well positioned to capture the potential of the GBA arising from its robust economic growth and increasing strategic importance to the nation.



UK PORTFOLIO¹

83 Commercial Properties

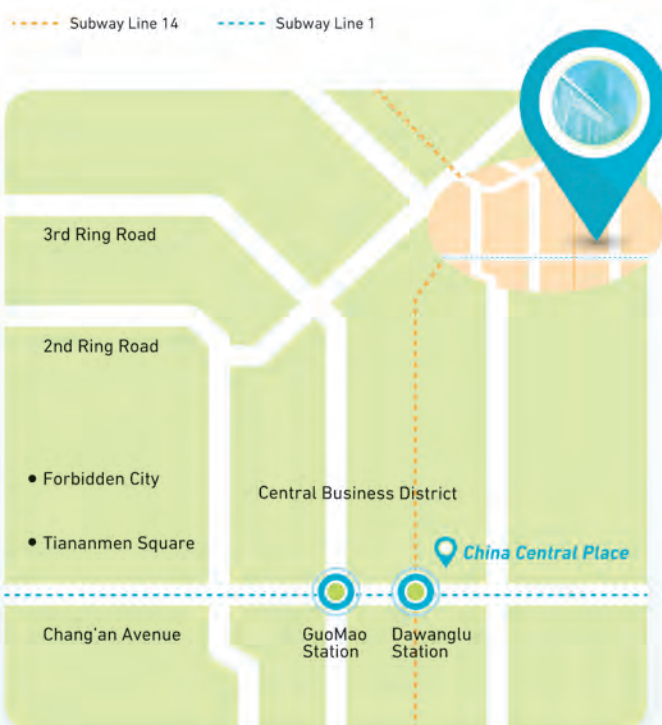
The UK Portfolio comprises 83 separate commercial properties in diverse locations across the UK. The properties are leased to Kwik-Fit (GB) Limited, a nationwide car servicing service provider in the UK. Founded in 1971, Kwik-Fit has the largest network of fast-fit outlets in the UK, operating more than 600 centres around the country.



1. The disposal of the UK Portfolio was completed on 28 March 2025.

OVERVIEW OF CHINA CENTRAL PLACE

China Central Place is a prime mixed-use complex in the Beijing's CBD that includes well-recognised branded hotels and shopping centres.



OFFICE

Premium Grade offices

- Awarded "Top 20 Office Buildings in China"
- Direct underground connection to Beijing Subway



SHOPPING

SKP Beijing and other shopping areas

- SKP Beijing – one of the largest department stores in China by sales



RESIDENTIAL

Residential area

- Residential and serviced apartments with a clubhouse



HOTELS

Five-star luxury hotels

- Ritz-Carlton Hotel Beijing
- JW Marriott Hotel Beijing

BEIJING OFFICE MARKET AND PROPERTY PERFORMANCE

Beijing Office Market Overview

Throughout the Reporting Year, the Beijing office market continued to face headwinds. New demand for space remained limited, and many existing tenants opted to reduce expenses or scale back their operations. Domestic tenants continued to dominate the market, while multinationals remained inactive. Competition among landlords was intense, with aggressive rent reductions and concessions offered to attract the dwindling leasing demand.

The total Grade A office stock in Beijing at the end of 2024 amounted to approximately 11.5 million sqm. According to Jones Lang LaSalle ("JLL"), as at 31 December 2024, the overall vacancy rate had edged up marginally by 0.8% to 12.6%. Rental rates declined by about 16.1% YoY to RMB251 per sqm.

The Beijing CBD, where our CCP Property is located, is home to tenants from a wide range of industries, including many from the finance and insurance, professional services, and manufacturing industries. It holds the largest amount of Grade-A office stock in Beijing, amounting to 2.8 million sqm as at the end of 2024, and accounting for 24.3% of the city's total Grade-A office space. Grade A occupancy in the CBD marginally decreased to 87.9% at the end of 2024. Meanwhile, the average rent at the end of 2024 softened to RMB276 per sqm, representing a decline of 17.2% YoY. The occupancy rate for the high-end premium Grade A segment in the CBD, which includes our CCP Property, stood at 87.7% at the end of the year, with an average rent of RMB316 per sqm.

Despite the challenging environment, the Beijing property market remained relatively well supported compared to other Chinese cities. A lack of new office completions has provided resilience in the broader market. New office space that came onto the market over the last few years has also largely been taken up, alleviating pressures on both rent and occupancy; at the time of writing, no new office supply is expected in the CBD until 2026. We therefore remain cautiously optimistic about the prospects for the office market in Beijing's CBD.

Beijing Office Market Occupancy and Rental Rates in 2024

		Occupancy Rate ¹	YoY change	Average Rental Rate ² (RMB/sqm/month)	YoY change
CBD	Grade A	87.9%	-2.6 pts	276	-17.2%
	Premium Grade A	87.7%	-3.8 pts	316	-13.8%

¹ Data is as at 31 December 2024.

² YoY changes in average rental rate are on a chain-linked basis, to facilitate like-for-like comparison.

Source: JLL Research

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

CCP Property Financial Review

CCP Property Financial Highlights

(in RMB million)	FY2024	FY2023	Change
Revenues			
– Rental income	424.42	461.06	(7.9%)
– Car park income	4.43	3.56	24.4%
– Other income (note i)	4.52	5.57	(18.9%)
	433.37	470.19	(7.8%)
Property Operating Expenses			
– Property management fee	(9.08)	(10.36)	(12.4%)
– Property taxes (note ii)	(51.57)	(57.61)	(10.5%)
– Withholding tax (note iii)	(41.75)	(48.19)	(13.4%)
– Other taxes (note iv)	(0.61)	(0.44)	38.6%
– Leasing commission	(9.74)	(3.92)	148.5%
– Other expenses	(2.50)	(0.84)	197.6%
	(115.25)	(121.36)	(5.0%)
Net Property Income	318.12	348.83	(8.8%)

Notes:

- i Other income mainly represents compensation paid by tenants for early termination of lease.
- ii Property taxes represent real estate tax and land use tax.
- iii Withholding tax in the People's Republic of China is calculated based on rental revenues at a rate of 10%.
- iv Other taxes mainly represent stamp duty.

During the Reporting Year, the CCP Property reported a 7.8% decrease in revenue YoY. Rental income generated from the office space decreased by 7.9% YoY, reflecting declines in occupancy and rental levels since December 2023 in the challenging Beijing office market. When the effects of a 5.0% YoY decrease in property operating expenses are taken in account, net property income amounted to RMB318.12 million, representing a decrease of 8.8% YoY.

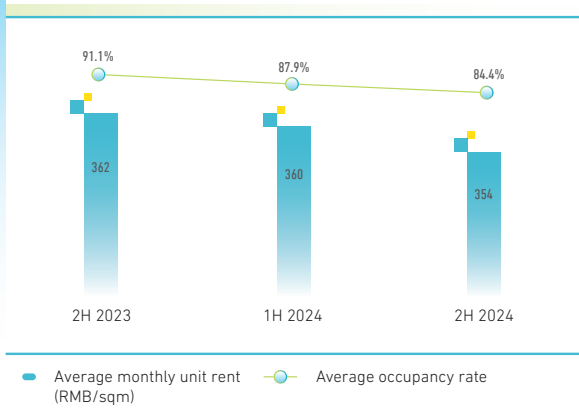
Property operating expenses are mainly comprised of tax expenses, namely property taxes, withholding tax and other taxes. During the Reporting Year, the total tax expenses and the property management fee, accounted for 81.5% and 7.9% of the total property operating expenses respectively. Higher leasing commissions were incurred during the Reporting Year primarily due to additional spending to sustain the occupancy of the property.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

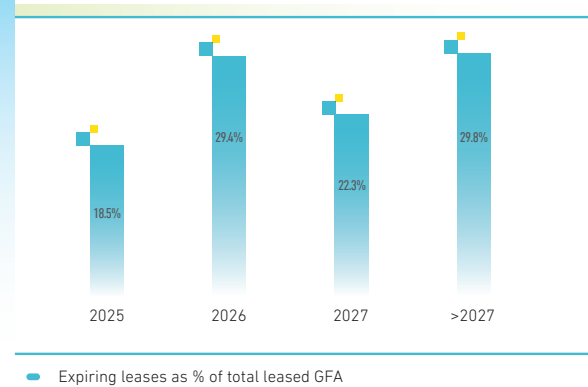
CCP Property Operation Review

In 2H 2024, the CCP Property registered an average occupancy rate¹ of 84.4%, leading to a full-year average occupancy rate of 86.1%. Gratifyingly, the occupancy rate as at 31 December 2024 recovered to 88.5%. The retention rate² for 2024 stood at 68% (FY2023: 75%). For FY2024, of the newly leased area, 27.0% (FY2023: 26.0%) was attributable to new lettings, with the remainder being renewals. Average monthly unit rent³ (net of Value-Added Tax ("VAT")) decreased to RMB354 per sqm in 2H 2024 (1H 2024: RMB360 per sqm) as a result of mild negative rental reversion⁴ under the current challenging environment. The amount of outstanding arrears as at 31 December 2024, as at the time of writing, stood at RMB1.3 million.

Average Monthly Unit Rent³ And Average Occupancy Rate¹



Expiry Profile by Leased GFA
(As of 31 December 2024)



1. Occupancy rate is an average of the month-end figures throughout the specified period.
2. Retention rate represents the proportion of the total area under all the expired leases taken up by the same tenants entering into new leases during the relevant period.
3. Average monthly unit rent represents the contractual rent (excluding management fee), and no longer includes the effects of rent-free periods. This change aligns with market practice, and provides a measure that is more directly comparable across properties. It is presented net of VAT. For comparison purposes, the average monthly passing rent taking into account the effects of rent-free periods, was RMB334 per sqm for 2H 2024, RMB346 per sqm for 1H 2024, and RMB350 per sqm for 2H 2023.
4. Rental reversion calculated based on average monthly passing rent was -7.8% during the Reporting Year.

As at 31 December 2024, the weighted average lease expiry (in terms of GFA) was 798 days for the CCP Property. Leases expiring in the years ending 31 December 2025 and 31 December 2026 accounted for 18.5% and 29.4% of the total leased GFA respectively.

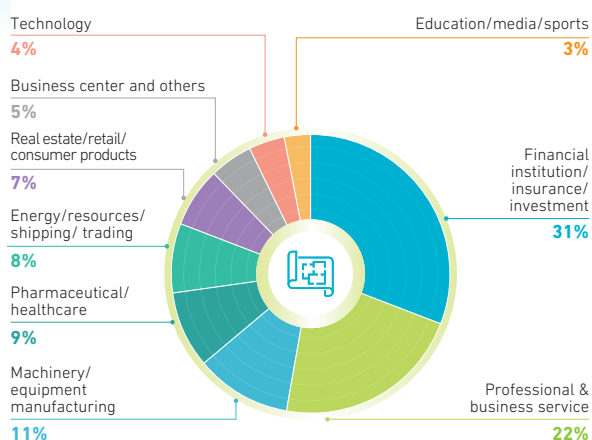
MANAGEMENT DISCUSSION AND ANALYSIS (continued)

As at 31 December 2024, the CCP Property had a total of 185 tenancies and 56% of the GFA was occupied by foreign companies. The top five tenants in terms of GFA accounted for 20.0% of the total rental income for December, and occupied 22.8% of the total leased GFA as at 31 December 2024. Details of these tenants are set out below.

Tenant	Portion of total leased GFA
Epson	6.3%
Zhong De Securities	4.5%
Global Law Office	4.4%
The Executive Centre	4.3%
Conde Nast	3.3%
Total	22.8%

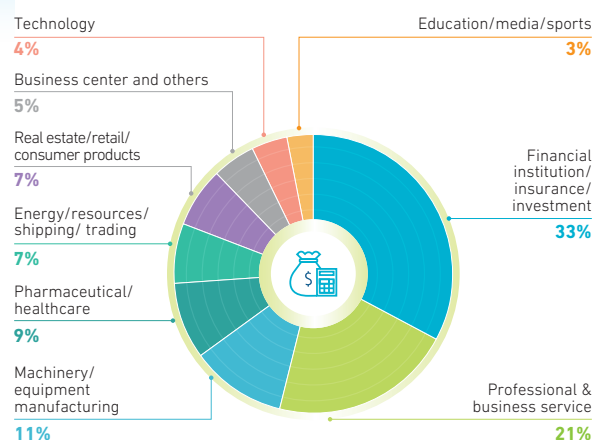
As % of Leased GFA

(As of 31 December 2024)



As % of Monthly Revenue

(For the month of 31 December 2024)



OVERVIEW OF HUAMAO PLACE

Huamao Place, located in Jiangbei area at the heart of Huizhou's CBD, is the retail component of a larger integrated development known as "Huizhou Central Place" (惠州華貿中心) which includes, among other things, three Grade-A office a, three residential buildings and a serviced apartment building.



MANAGEMENT DISCUSSION AND ANALYSIS (continued)

HUIZHOU RETAIL MARKET AND PROPERTY PERFORMANCE

Huizhou City Overview

One of the 9+2 cities in the GBA in Guangdong Province, Huizhou covers an area of some 11,000 square kilometres and is rich in natural resources, energy resources, and tourism highlights. With a residential population of 6.2 million, the city serves as an essential gateway and connector between eastern and northern Guangdong Province. Huizhou is also one of the closest mainland cities to Hong Kong, adding to its strategic significance in the region. Due to its superior geographical location and rich resources, Huizhou has attracted many high-quality business enterprises. It has also enjoyed industrial spill-over transfers from the nearby cities of Shenzhen and Dongguan, which have boosted the city's population and helped drive its economic development.

Huizhou Retail Market Overview

Huizhou's shopping mall industry has experienced robust growth, driven by high economic growth potential, ongoing urbanisation, consumption upgrading, an expanding infrastructure network, and continued government support. The research consultancy firm China Insights Consultancy projects that the total gross merchandise value ("GMV") of the shopping mall industry in Huizhou will grow at a CAGR of 5.2% from 2024 to 2029, outpacing growth in other cities in the GBA. As at 31 December 2024, Huizhou had 35 shopping malls covering a total retail GFA of approximately 2.5 million sqm, and managed by approximately 29 operators. Huizhou's shopping mall industry is not highly concentrated, with the top five shopping mall management service providers accounting for 36.8% of the market in retail GFA.

Huamao Place Financial Review

Huamao Place Financial Highlights

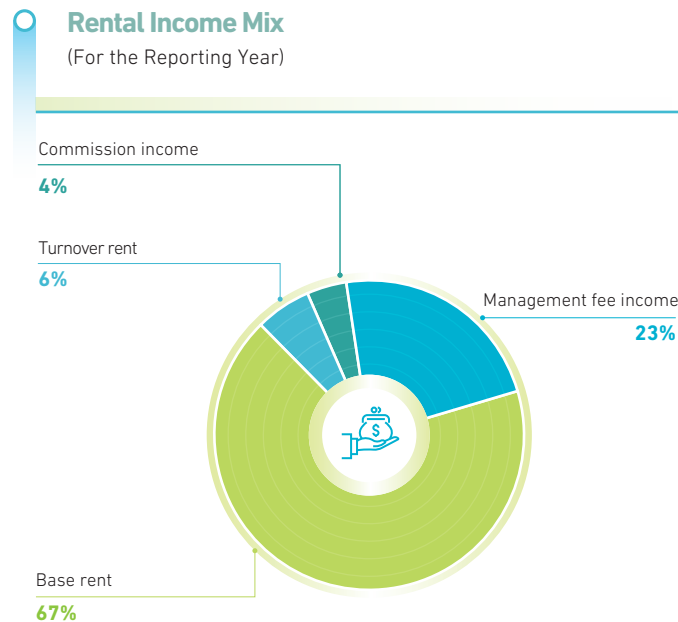
(in RMB million)	FY2024	FY2023	Change
Revenues			
– Total rental income (note i)	220.30	214.45	2.7%
– Other income (note ii)	6.12	5.39	13.5%
	226.42	219.84	3.0%
Property Operating Expenses	(71.28)	(67.28)	5.9%
Net Property Income	155.14	152.56	1.7%

Notes:

- i Total rental income mainly represents base rental income, turnover rent, commission income and service fee income.
- ii Other income mainly represents advertising income and penalty income.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

During the Reporting Period, Huamao Place reported revenue of RMB226.42 million, representing a 3.0% increase YoY. The mall's revenue mainly comprised of base rent, management fee income, turnover rent and commission income. Base rent is the fixed rent provided for in lease agreements, while management fee income represents additional income from tenants for services provided by the local property management team, such as promotions and events. Turnover rent is collected from certain tenants in the form of a percentage of their sales receipts. Commission income represents a share in the sales receipts for products sold on consignment.



Property operating expenses are mainly comprised of property management fees, advertising and promotion expenses as well as tax expenses, namely property taxes and other taxes. During the Reporting Year, tax expenses in aggregate accounted for 32.2% of the total property operating expenses. The property management fee accounted for 40.5% of the total property operating expenses. The 5.9% YoY growth in property operating expenses was mainly attributable to provision for rent receivables of RMB4.58 million, resulting from the restructure of the cinema lease.

Huamao Place Operation Review



MANAGEMENT DISCUSSION AND ANALYSIS (continued)

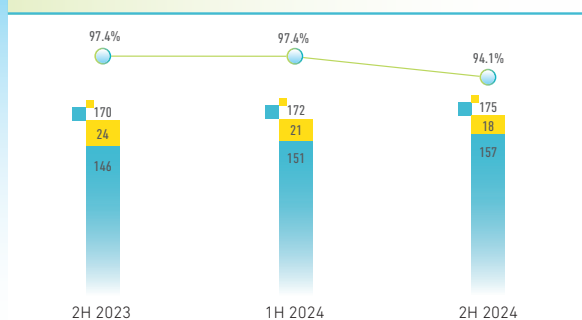
During the Reporting Year, we continued to enhance Huamao Place's positioning as a unique high-end lifestyle mall, further strengthening its reputation as a premier shopping and leisure destination. To differentiate the mall from competitors and reinforce its exclusivity, we introduced a variety of renowned brands, some of which have chosen Huamao Place as the location for their first city store or flagship outlet. Notably, leading brands such as Xiaomi Auto and lululemon debuted in our mall, reinforcing its appeal to trend-conscious consumers. At the same time, we actively optimised the trade mix to ensure a consistently dynamic and engaging shopping experience that caters to changing consumer preferences.

To maintain a fresh and ever-evolving atmosphere, we continued to refine the mall's space configuration, as well as strategically phasing out underperforming tenants and curating new offerings. Food and beverage outlets, comprising a mix of well-established local and international brands, have continued to serve as key anchors in sustaining high foot traffic. This year we introduced a range of lifestyle and anime culture tenants to further diversify our retail mix. Huamao Place is also known for its creative and engaging visitor events. For instance, to complement our newly introduced anime culture tenants and attract more visitors, we hosted multiple anime-themed events, including the official Huizhou city tournament for the renowned e-sports game "Honor of Kings". These events generated a lot of buzz and helped increase footfall significantly.

In 2H 2024, average occupancy rate¹ dropped marginally to 94.1%, from 97.4% in 1H 2024, due to the restructure of the cinema lease, leading to a full-year average occupancy rate of 95.7%. The mall's average monthly unit rent² increased from RMB172 per sqm in 1H 2024 to RMB175 per sqm for 2H 2024.

As at 31 December 2024, leases expiring in the years ending 31 December 2025 and 31 December 2026 accounted for 36.5% and 25.6% of the total leased GFA respectively, and accounted for 44.1% and 24.8% respectively of the December rental income.

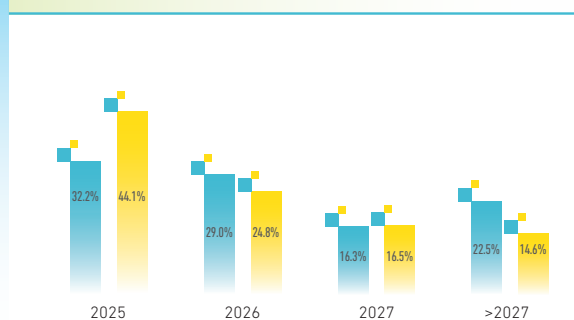
Average Monthly Unit Rent² and Average Occupancy Rate¹



- Average monthly unit rent (RMB/sqm) - variable
- Average monthly unit rent (RMB/sqm) - fixed
- Average occupancy rate

Expiry Profile

(As of 31 December 2024)



- By leased GFA
- By December 2024 rental income

1. Occupancy rate is an average of the month-end figures throughout the specific period.
2. Average monthly unit rent is presented net of VAT and is comprised of base rental income, turnover rental income, consignment sales income and service fee income.

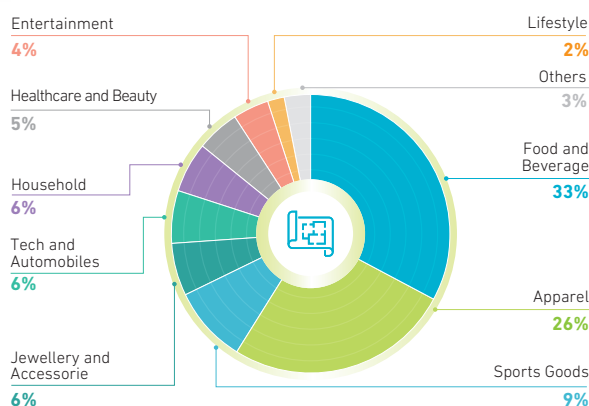
MANAGEMENT DISCUSSION AND ANALYSIS (continued)

Huamao Place had a total of 530 tenancies as at 31 December 2024. Details of the trade sectors of the top 5 tenants in terms of GFA and December 2024 rental income are set out in the table below.

Tenant's trade sector	by GFA	by Rental Income
Food and Beverage	4.6%	0.7%
Tech and Automobiles	2.0%	1.1%
Household	1.9%	0.4%
Household	1.6%	0.6%
Food and Beverage	1.6%	0.8%
Total	11.7%	3.6%

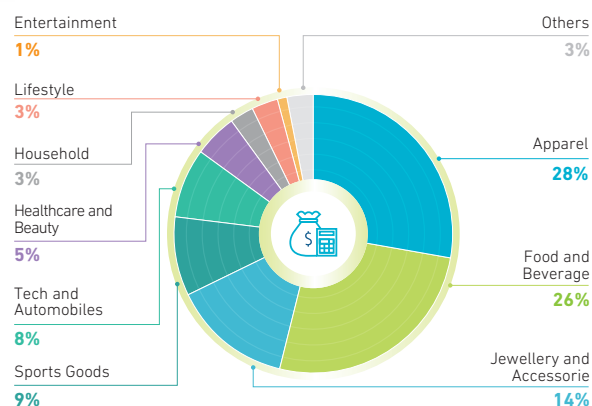
Tenancy Mix by Leased GFA

(As of 31 December 2024)



Tenancy Mix by Monthly Rental Income

(For the month of December 2024)



UK PORTFOLIO PROPERTY PERFORMANCE

Spring REIT's UK Portfolio comprises 83 separate commercial properties, following the expiration of the ground lease and the commercial lease of the property located in Islington. Each of the UK Portfolio's 83 properties is under a long-term lease with the tenant Kwik-Fit (GB) Limited ("**Kwik Fit**"), a leading car servicing operator in the United Kingdom, with all leases expiring in March 2032. Currently, the UK Portfolio has an occupancy rate of 100%, with an annual contract rental income of approximately GBP4.64 million. Spring REIT enjoys substantial pass through of rental income as the leases are "full repairing and insuring" in nature, under which the tenant pays all real estate taxes, building insurance, and maintenance (the triple "nets") on the properties in addition to any normal fees that are specified under the agreement (e.g. rent, utilities, etc.).

On 18 February 2025, Spring REIT (through its wholly-owned subsidiary) entered into a sale and purchase agreement with an independent third party buyer for the sale of the UK Portfolio. The implied selling price of the portfolio was GBP73.5 million, representing a premium on the appraised value of the portfolio as at 31 December 2024. Spring REIT has made this strategic decision in order to realign its focus on the core Chinese market, improve its financial flexibility, and optimise its operational efficiency. The transaction received 99.99% support at the extraordinary general meeting held on 10 March 2025, and is expected to be completed on 28 March 2025. The use of the proceeds will be aligned with Spring REIT's capital management strategy and subject to prudent financial management.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

SPRING REIT FINANCIAL REVIEW

Financial Highlights

(in RMB millions unless otherwise specified)	FY2024	FY2023	Change
Revenue	702.47	732.45	(4.1%)
Property operating expenses	(187.18)	(189.19)	(1.1%)
Net property income	515.29	543.26	(5.1%)
Net property income margin	73.4%	74.2%	-0.8 ppts
G&A expenses	(88.73)	(89.01)	(0.3%)
Cash interest paid	(195.56)	(181.19)	7.9%
Current income tax	(34.09)	(32.16)	6.0%
Loss after taxation attributable to Unitholders	(46.63)	(77.54)	(39.9%)
Profit after taxation attributable to non-controlling interests	26.94	23.99	12.3%
Total distributable income	221.25	252.14	(12.3%)
Unit Information			
DPU (HK cents)	16.6	19.0	(12.6%)
DPU (RMB cents equivalent)	15.2	17.1	(11.1%)
Payout ratio	100%	97.5%	+2.5 ppts
Net asset value per Unit (HK\$)	4.36	4.70	(7.2%)
Number of Units outstanding	1,459,041,125	1,440,497,110	1.3%

As at	31 December 2024	31 December 2023	Change
Property valuation	11,901.92¹	12,039.34	(1.1%)
Total assets	12,638.24	12,785.53	(1.2%)
Total borrowings	5,234.72²	5,054.49	3.6%
Net asset value attributable to Unitholders	5,887.41	6,130.66	(4.0%)
Gearing ratio	38.0%³	39.5%	-1.5 ppts

1. Includes the property valuation of the UK Portfolio.

2. Includes the interest-bearing borrowings of the UK Portfolio.

3. If bank borrowing, included in liabilities classified as held for sale (which was referring to the UK Portfolio) were included, the Group's gearing ratio was 41.4% as at 31 December 2024.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

Financial Performance

Spring REIT's revenue for the Reporting Year was RMB702.47 million, representing a 4.1% decrease YoY due to the pressures in the Beijing office market. After taking into account property operating expenses of RMB187.18 million, net property income amounted to RMB515.29 million, representing a 5.1% decrease YoY and a net property income margin of 73.4% (FY2023: 74.2%).

General and administrative expenses amounted to RMB88.73 million. Meanwhile, a total finance cost on interest-bearing borrowings of RMB290.74 million (FY2023: 236.99 million) was registered, which consisted of a non-cash foreign exchange loss of RMB87.52 million (FY2023: non-cash foreign exchange loss of 50.60 million) when HKD-denominated bank borrowings were converted to RMB in the financial statements. A higher cash interest expenses of RMB195.56 million was registered in FY2024, mainly attributable to the additional funding drawn down.

Taking into account the decline in the fair value of the investment properties of RMB158.42 million (FY2023: decline in fair value of RMB131.83 million), loss after taxation attributable to Unitholders for the Reporting Year was RMB46.63 million (FY2023: loss after taxation attributable to Unitholders of RMB77.54 million).

Spring REIT's total distributable income for the Reporting Year was RMB221.25 million, representing a decrease of 12.3% YoY. Among other adjustments, the reported amount excludes the foreign exchange loss, and the decrease in the fair value of the investment properties, which are non-cash in nature.

Financial Position

Spring REIT's principal valuer, Knight Frank Petty Limited ("**Knight Frank**" or the "**Principal Valuer**"), performed a valuation of the Spring REIT portfolio as at 31 December 2024. The CCP Property was appraised at RMB8,400 million as at 31 December 2024, representing a 1.9% decrease in value compared to its valuation as at 31 December 2023. The valuation of the CCP Property was arrived at using the income capitalisation approach, and cross-checked by the direct comparison approach. The capitalisation rate/reversionary yield was 4.5% (30 June 2024: 4.5%; 31 December 2023: 5.0%).

Huamao Place was appraised at RMB2,852 million as at 31 December 2024, representing a 0.3% increase compared to its valuation as at 31 December 2023. The valuation of Huamao Place was arrived at using the income approach, and cross-checked by the direct comparison approach. The capitalisation rate/reversionary yield was 6.0% (30 June 2024: 6.0%; 31 December 2023: 6.0%).

The UK Portfolio was appraised at GBP71.2 million (equivalent to RMB649.92 million) as at 31 December 2024, representing a 1.1% increase in GBP terms and a 2.1% increase in RMB terms compared to its valuation as at 31 December 2023. The valuation of the UK Portfolio was arrived at using the income approach. The reversionary yield ranged from 4.25% to 9.05% (31 December 2023: 4.35% to 9.05%).

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

As at 31 December 2024, Spring REIT had in place aggregate debt facilities of approximately RMB5,234.72 million, comprising:

1. a combined facility of HK\$4,875 million consists of a committed facility of HK\$3,705 million and an uncommitted facility of HK\$1,170 million (the "**CCP Facilities**"), which bears an interest rate of 1-month HKD HIBOR plus 1.65% per annum and will mature in September 2025. Of the CCP Facilities, HK\$4,495 million was outstanding as at the end of the Reporting Year.
2. a facility of GBP51 million (the "**UK Facility**") which bears an interest rate of 2.20% margin per annum plus Sterling Overnight Index Average ("**SONIA**") plus Credit Adjustment Spread ("**CAS**"), with an expiry date in January 2025. Of the UK Facility, GBP47.8 million was outstanding as at the end of the Reporting Year.
3. a facility of RMB900 million which bears an interest rate of 60 basis points above the PRC loan prime rate (for five years or more) and will mature in March 2032, of which RMB667.54 million was outstanding as at the end of the Reporting Year.

In January 2025, the Manager refinanced the UK Facility through a GBP47.8 million facility at an interest rate of 2.20% margin plus SONIA, with a tenor of one year. This facility is expected to be disposed of together with the UK Portfolio on 28 March 2025.

As at 31 December 2024, the Group's gearing ratio according to consolidated statement of financial position, i.e. total borrowings to gross asset value, was 38.0%, compared with 39.5% at 31 December 2023. If bank borrowing, included in liabilities classified as held for sale (which was referring to the UK Portfolio) were included, the Group's gearing ratio was 41.4% as at 31 December 2024.

Spring REIT's investment properties, rent receivables, restricted bank balances, and ordinary shares of certain subsidiaries of the Group were pledged to secure the loan facilities where applicable. Throughout the Reporting Year, Spring REIT and other subsidiaries of the Group have in all material respects complied with the terms and provisions of the finance and security documents.

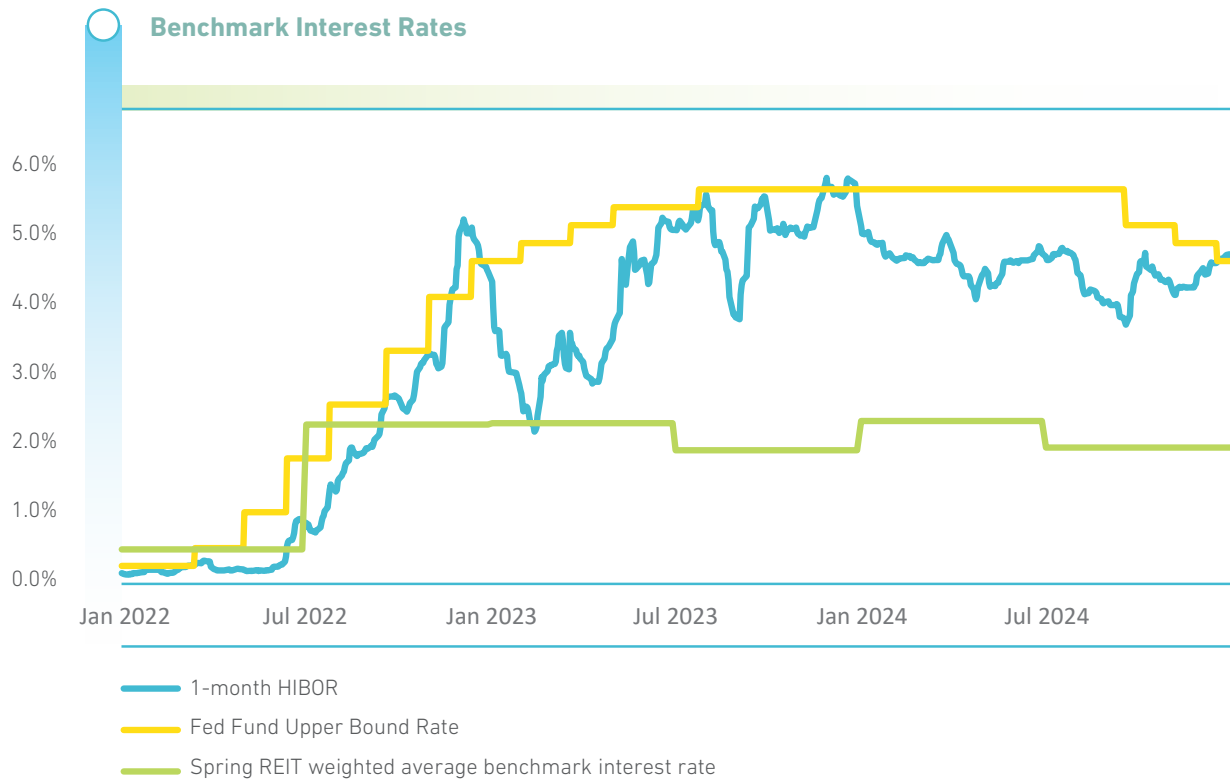
The unrestricted cash of Spring REIT (together with its special purpose vehicles, the "Group") amounted to RMB253.82 million as at 31 December 2024, compared with RMB222.89 million as at 31 December 2023. The Group also had total undrawn bank loan facilities of RMB418 million. With these financial resources, Spring REIT has sufficient liquid assets to satisfy its working capital and operating requirements. The cash is generally placed in short-term deposits, mostly denominated in HKD. The Group's liquidity and financing requirements are reviewed regularly.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

Capital Management

Spring REIT has in place a hedging programme that has involved it entering into float-to-fixed interest rate swap (“IRS”) and CCS contracts of varied tenures to mitigate its interest rate and exchange rate risks.

As at 31 December 2024, in relation to the CCP Facilities, a notional amount of HK\$785 million was covered by float-to-fixed IRS contracts, while HK\$3,520 million was effectively covered by HKD-RMB CCS contracts at a fixed RMB interest rate, with a combined weighted average swap rate of 1.5% per annum. In relation to the UK Facility, the notional amount of IRS contract was GBP47.8 million with a swap rate of 3.8% per annum. As a result, the overall weighted average swap rate per annum (before interest margin and any credit adjustment spread) was approximately 1.7%. Meanwhile, the RMB-denominated loan, which is based on the PRC loan prime rate, was relatively stable and maintained a downward trend during the Reporting Year.



MANAGEMENT DISCUSSION AND ANALYSIS (continued)

As at 31 December 2024, about 97% of Spring REIT's borrowings were either covered by interest rate hedges and CCS, or were under a relatively stable PRC loan prime rate (31 December 2023: 99.5%), significantly reducing the impact of interest rate volatility on Spring REIT. Additionally, by entering into CCS contracts, 78% of the HKD notional amount under the CCP Facilities has been swapped into RMB (31 December 2023: 45%). Together with the UK Facility (denominated in GBP) and the RMB-denominated loan, the currency exposure of 83% of the total borrowings was aligned with the underlying assets as at 31 December 2024 (31 December 2023: 57%).

During the Reporting Year, the weighted average cash interest rate (after interest margin) per annum was approximately 3.6% (FY2023: 3.6%).

Net Assets Attributable to Unitholders

As at 31 December 2024, net assets attributable to Unitholders stood at RMB5,887.41 million. The net asset value per Unit as at 31 December 2024 was HK\$4.36 (31 December 2023: HK\$4.70). This represented a 133.2% premium to the closing price of the Units of HK\$1.87 as at 31 December 2024, the last trading day in the Reporting Year.

Capital Commitments

As at 31 December 2024, the Group had no significant capital commitments.

Employees

Spring REIT is managed by the Manager and did not directly employ any staff during the Reporting Year.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ABOUT THIS ESG REPORT

Reporting Scope

This annual Environmental, Social and Governance (“**ESG**”) Report (the “**ESG Report**”) provides a comprehensive review of Spring REIT’s ESG governance, policies and initiatives, taking into consideration the percentage of ownership and level of operational control of the premises when defining the reporting boundaries. The ESG Report covers relevant management approaches and practices of the CCP Property in Beijing and Huamao Place in Huizhou for the period from 1 January 2024 to 31 December 2024 (the “**Reporting Year**”)¹.

Spring REIT is managed by Spring Asset Management Limited (as manager of Spring REIT, the “**Manager**”, or “**we**”), a company incorporated in Hong Kong for the sole purpose of managing Spring REIT. The performance of the Manager and its subsidiary is only addressed and covered in applicable sections. The ESG Report has been reviewed and approved by the Board of Directors (the “**Board**”) of the Manager in March 2025.

The Huamao Place is included in the full-year reporting scope starting from 2023, following its acquisition in September 2022². Any information and data disclosed for 2022 pertain solely to the Manager and/or the CCP Property, with the inclusion of Huamao Place’s data beginning from 2023 onwards.

Reporting Standard and Principles

The ESG Report is prepared in accordance with the latest requirements of the Environmental, Social and Governance Reporting Code, Appendix C2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**HKEX**”). The ESG Reporting Guide outlines the reporting principles that underlines all aspects of the disclosed ESG information. The application of the adopted reporting principles ensures the ESG Report is presenting accurate, objective, transparent and comparable content. The preparation of the ESG Report has complied with the following reporting principles –

Materiality

- The Manager identified material ESG topics through stakeholder engagement and materiality assessment, therefore focusing on material ESG topics for disclosure in the ESG Report. Relevant details are elaborated in the section “Materiality Assessment”.

Quantitative

- The Manager disclosed details on the standards, calculation methodologies and source of conversion factors adopted for the reporting of emissions and energy consumption. Relevant details are demonstrated in the section “Environmental Performance”.

¹ The CCP Property is managed by the Manager, with Beijing Hua-re Real Estate Consultancy Co., Ltd (the “Property Manager”) as the property manager and Beijing Huamao Property Management Co., Ltd (the “Building Manager”) as the building manager to provide general building services. The Huamao Place is managed by the Manager, with Huizhou Huamao Operations Management Co., Ltd. (the “Property Manager”) as the property manager and Beijing Huamao Property Management Co., Ltd. Huizhou Branch (the “Building Manager”) as the building manager to provide general building services. The acquisition of 68% of Huamao Place was completed in September 2022, and hence its full-year environmental and social performance is disclosed for the first time in 2023. The UK portfolio is excluded from the ESG Report due to limited data availability as the properties are leased out on a triple-net basis with operations managed by the tenant.

² Data presented for 2023 and 2024 may not be directly comparable to the data from 2022. The inclusion of the Huamao Place, a shopping mall, introduces a new property type with different characteristics, operations, and ESG performance compared to the office buildings included in the report for the previous years. As a result, the data for 2023 and 2024 may reflect the influence of this newly included property, potentially impacting the overall comparability of the data across the three years.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

Balance

- The ESG Report presented environmental and social performances on an impartial basis to provide an objective reporting disclosure for readers.

Consistency

- The methodology adopted for disclosing key environmental and social performance indicators is consistent with that of the previous years.

Contact Us

Fostering a trusted relationship with stakeholders is essential for the long-term sustainability of our business. We highly value your feedback, which will assist our management in improving practices for the best interests of various stakeholders. You are welcome to provide your comments and suggestions on the ESG Report or towards our performance in respect of sustainability via email to ir@springreit.com. Your input is crucial in strengthening our dedication to sustainability and responsible business conduct.

SUSTAINABILITY GOVERNANCE

Board Statement

The Board upholds a steadfast belief in fostering resilient ESG practices, acknowledging the potential and capacity to positively impact the communities in which we operate. This dedication holds particular weight as we navigate the economic and social challenges posed by the broader environmental landscape.

The Board is responsible for overseeing ESG matters, including managing environmental and social risks, and for guiding our sustainability strategies, targets, and efforts to address ESG and climate-related concerns. The Board also ensures that ESG and climate-related factors are considered in operation, investment and risk management processes, and reviews progress towards meeting ESG-related targets and goals.

The Manager seeks to actively engage our stakeholders to encourage ESG initiatives across our business value chains and to build our capacity for resilience against climate-related risks. The Manager also recognises the rising importance placed by investors on incorporating climate-related risks into their investment and risk management strategies. In accordance with the Securities and Futures Commission's "Circular to Licensed Corporations - Management and Disclosure of Climate-related Risks by Fund Managers" dated 20 August 2021, the Board, with the assistance of the Sustainability Committee, oversees the integration of climate-related considerations into investment and risk management processes, as well as monitors progress towards addressing climate-related issues.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

Governance Structure

An effective ESG management strategy relies on a strong governance structure that encompasses multiple organizational levels and units. A top-down governance structure is adopted in Spring REIT, to direct and manage ESG-related issues and performance.

The Board assumes primary responsibility for overseeing the ESG strategy and performance of Spring REIT. In addition, the Board plays a crucial role in providing oversight of the risk management system, which includes ESG-related risks and opportunities. To enhance the Board's oversight and systematic management of ESG issues, a dedicated Sustainability Committee has been established. The Board, guided by recommendations from the Sustainability Committee, endorses the sustainability framework, strategy, and ongoing enhancement plans to foster continuous improvement in sustainability practices.








The Sustainability Committee is established to ensure effective oversight and strategic direction on ESG matters, facilitating Spring REIT's commitment to sustainable development, risk management, and performance improvement across its operations. The primary responsibilities of the Sustainability Committee include 1) identifying, evaluating and prioritizing material ESG issues, which are further reviewed and endorsed by the Board, and 2) supervising ESG-related policy formulation and implementation.

The Sustainability Committee has oversight on the implementation of sustainability-related initiatives at the property level. The Building Manager and the Property Manager work collaboratively to coordinate these initiatives effectively and provide regular updates to the Sustainability Committee. The Sustainability Committee collaborates on the formulation of strategic enhancements to advance sustainability performance and prepares the annual ESG report for public disclosure.

STAKEHOLDER ENGAGEMENT

The Manager recognises the importance of engaging with relevant stakeholders through diverse communication channels regularly. This proactive approach allows the Manager to understand stakeholders' expectations, concerns, and viewpoints regarding Spring REIT's business operations and ESG performance. The valuable feedback and insights provided by stakeholders facilitate the Manager in refining strategic business policies and planning, thus promoting sustainable business practices. Open and transparent communication is actively upheld throughout the daily operations of Spring REIT by the Manager, Property Manager, and Building Manager.

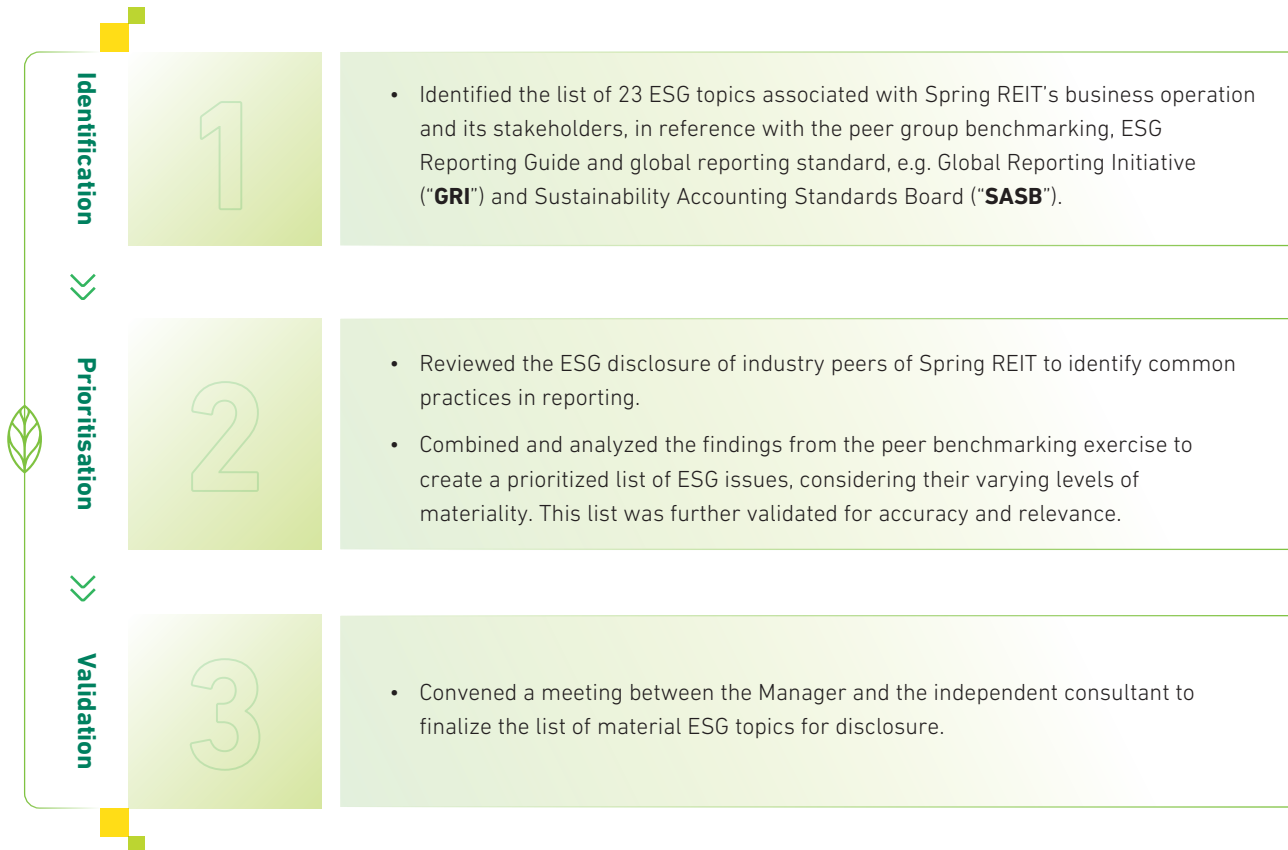
We have identified a list of key stakeholders who have an impact on, or are impacted by, the operation and development of Spring REIT. The table below outlines the communication channels utilised to facilitate effective and efficient communication with these key stakeholders, along with their respective expectations and concerns.

Stakeholders	Expectations and Concerns	Communication Channels
Unitholder/Investors 	<ul style="list-style-type: none"> Long-term investment returns Sustainable business development Operation in compliance 	<ul style="list-style-type: none"> Company website General meetings Corporate reports and announcements Emails and phone calls
Employees³ 	<ul style="list-style-type: none"> Remuneration and benefits Occupational health and safety Career development Equal opportunities 	<ul style="list-style-type: none"> Emails and suggestion box Internal publications Employee meeting Annual performance review Employee training
Customers 	<ul style="list-style-type: none"> Products and service quality Data privacy protection 	<ul style="list-style-type: none"> Customer feedback and complaints Customer service hotline Customer visit Day-to-day communication
Business partners 	<ul style="list-style-type: none"> Business integrity Mutual cooperating relationship Open and fair procurement 	<ul style="list-style-type: none"> Lawful actions and communications On-going direct engagement Procurement and tendering Strategic cooperation and negotiation Emails and phone calls
Government and regulatory authorities 	<ul style="list-style-type: none"> Compliance with laws and regulations Fulfilment of tax obligations Support economic development 	<ul style="list-style-type: none"> Regular documented information submission Regular communication with regulatory authorities Forum, seminar and conference
Community 	<ul style="list-style-type: none"> Participation in local community and public welfare Improve local community environment 	<ul style="list-style-type: none"> Company website
Media 	<ul style="list-style-type: none"> Information transparency 	<ul style="list-style-type: none"> Company website Media enquiry

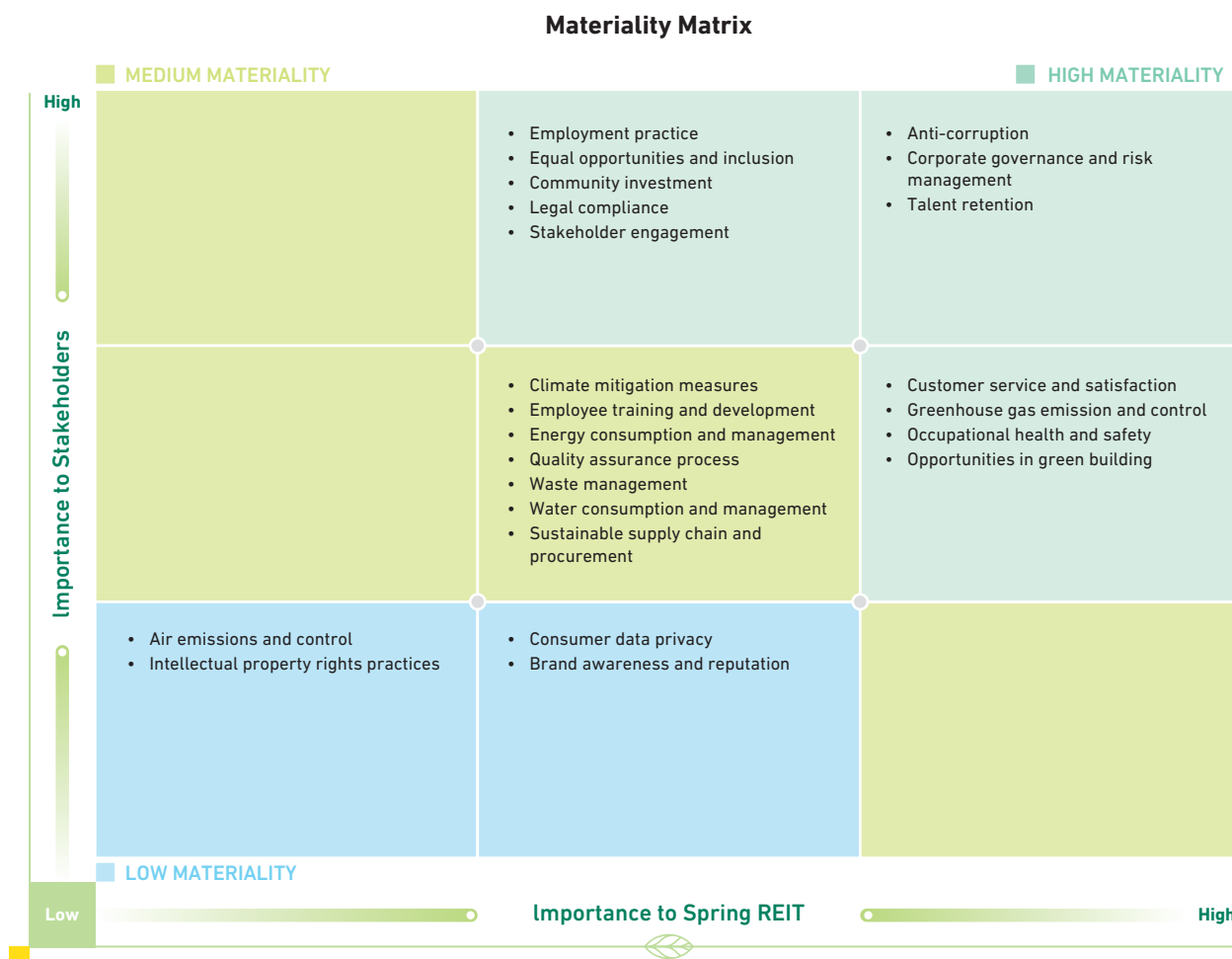
³ The scope covers direct employees of the Manager (and its subsidiary) and employees of contractors (including certain delegates in Beijing and Huizhou) who perform the operational functions and service provision of the CCP Property and Huamao Place on behalf of the Manager.

MATERIALITY ASSESSMENT

Guided by an independent consultant, the Manager conducted a comprehensive materiality assessment in last reporting year, to identify the key ESG issues that hold high materiality for Spring REIT and its stakeholders. This assessment empowers the Manager to promptly respond to concerns raised by diverse stakeholders, shape pertinent strategies, and uphold transparent reporting and disclosure practices. The following operational protocols were executed during last reporting year for the materiality assessment:



The materiality of each ESG issue was established through a combination of stakeholder input, benchmarking against peer groups, and internal assessment. A materiality matrix was created to visually depict the materiality of each ESG issue, positioning those of high materiality in the top right quadrant. The results of the materiality matrix and the identified material ESG topics were thoroughly reviewed and finalised by the Board.



Following the materiality assessment results and in accordance with reporting standards, the Report predominantly canters on issues that are deemed highly material. Additionally, the Manager intends to outline the general management approaches regarding ESG issues of moderate and low materiality. This approach aims to offer stakeholders a comprehensive view of ESG management throughout Spring REIT. The Manager commits to periodically reviewing the current ESG strategies and policies to enhance ESG performance and reporting transparency, striving for ongoing improvement.

The materiality assessment results in the last reporting year revealed that the key ESG issues, namely 1) anti-corruption, 2) corporate governance and risk management, and 3) talent retention, hold the highest materiality. These issues exert a substantial influence on Spring REIT and its stakeholders. Anti-corruption measures are crucial to ensure ethical business practices, maintain transparency, and mitigate legal and reputational risks. Effective corporate governance and risk management frameworks are essential for fostering trust, enhancing accountability, and safeguarding the long-term sustainability of the organization. Talent retention is of paramount importance as it directly impacts the Manager's ability to attract and retain skilled professionals, foster innovation, and drive operational excellence across Spring REIT. Addressing these critical ESG issues is essential for Spring REIT to deliver value to its stakeholders and uphold responsible business practices in alignment with its sustainability goals.

ENVIRONMENTAL PERFORMANCE

Given the escalating importance of sustainable assets in the real estate sector driven by heightened investment and regulatory considerations, the Manager underscores the pivotal role of addressing environmental responsibilities. To this end, the Property Manager has instituted a robust and comprehensive environmental management system at the CCP Property and Huamao Place.

At the CCP Property, the current environmental management system adheres to the ISO 14001:2015 Environmental Management Systems standard. At the same time, Huamao Place has implemented an energy management system with tailored policies aligned with local regulations, emphasizing data monitoring, analysis, and routine maintenance to optimise energy efficiency.

Various control measures have been deployed at the CCP Property and Huamao Place to enhance resource efficiency, reduce emissions, and minimise waste generation, aiming to mitigate adverse environmental impacts and foster sustainable practices. The Manager adheres to applicable environmental laws and regulations⁴ in the areas where we operate. The Manager encountered no significant fines for non-compliance throughout the Reporting Year.

The Manager recognises the critical importance of setting environmental performance targets for waste management, greenhouse gas emissions, energy consumption, and water usage, and monitoring progress towards achieving these goals. Establishing these targets is essential for providing a roadmap for environmental improvement, guiding efforts and resources towards specific sustainability objectives. Monitoring progress is equally vital as it allows for the evaluation of environmental impacts and the effectiveness of implemented strategies.

To align with the Manager's vision, an external consultant has been enlisted to conduct a thorough review of our progress. This external oversight ensures that the organization maintains a high level of scrutiny over its environmental performance, fostering transparency and accountability. Regular updates shared with the Manager not only provide insights into progress but also demonstrate the Manager's commitment to environmental stewardship and responsible business practices.

As Spring REIT's portfolio expands, the Manager might expand the current targets to further enhance sustainability efforts. This proactive approach reflects the Manager's commitment to continuous improvement and its recognition of the evolving environmental challenges facing the real estate industry, with details on this potential expansion will be disclosed in due course.

Emissions

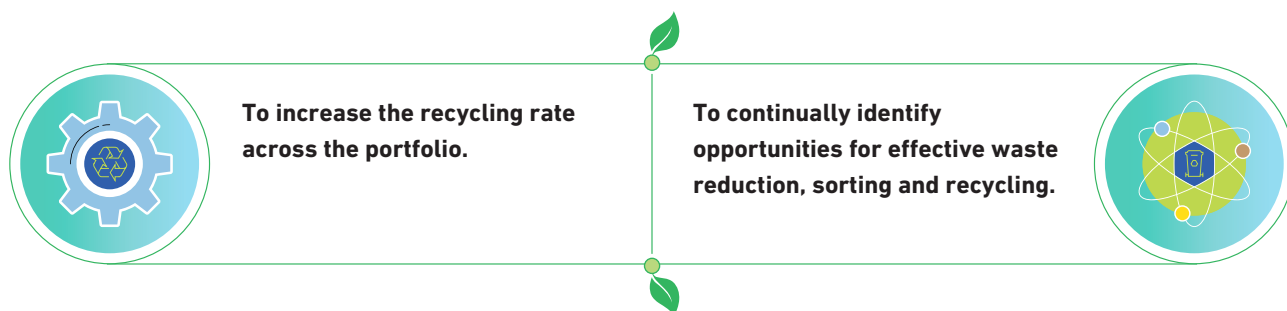
In pursuit of environmental excellence, the Manager is committed to minimizing the operational footprints of Spring REIT through efficient emissions control management. By instituting standardised management procedures, both the Building Manager and the Property Manager proactively execute a variety of initiatives at the CCP Property and Huamao Place. These endeavours are geared towards steadily enhancing Spring REIT's environmental performance in accordance with our established targets.

⁴ Including but not limited to the Environmental Protection Law of the People's Republic of China ("PRC"), Air Pollution Prevention and Control Law of the PRC, China Solid Waste Environmental Pollution Prevention and Control Law of the PRC, Water Pollution Prevention and Control Law of the PRC.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

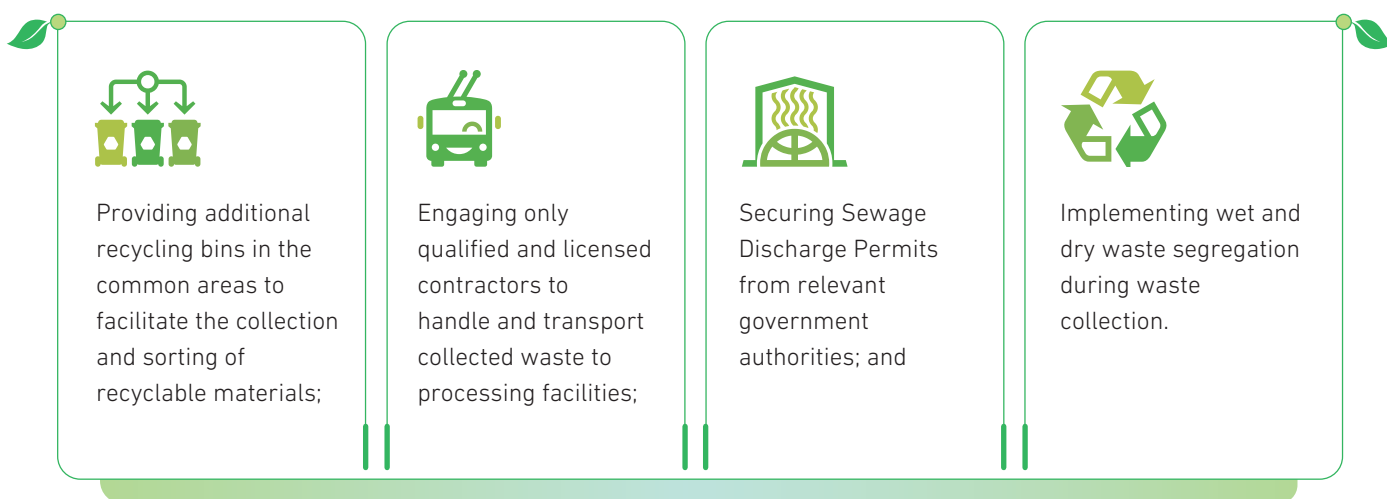
Waste Management

In the real estate sector, efficient waste reduction and proper waste management facilitate effective environmental conservation and operational cost savings. Since 2021, we have heightened our focus on improving waste management at Spring REIT by establishing two key waste-related targets:



In harmony with the Manager's commitment to responsible resource stewardship and the gradual attainment of the established targets, a waste management policy has been put into effect at Huamao Place. This policy delineates specific actions taken to uphold a comprehensive waste management system, in terms of recyclable waste, food waste, hazardous waste, and other waste respectively. The Building Manager has also collaborated with accredited contractors to manage the collection, storage, and transportation of these waste categories, ensuring their proper processing at designated facilities. Regarding waste diversion practices, kitchen waste is converted into fertiliser, while recyclable waste is conveyed to recycling canters for repurposing.

Furthermore, a variety of waste-related initiatives have been put into action at both the CCP Property and Huamao Place, including:



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

The amount of waste collected from the Manager's Hong Kong office, the CCP Property and Huamao Place during the Reporting Year is shown as follows:

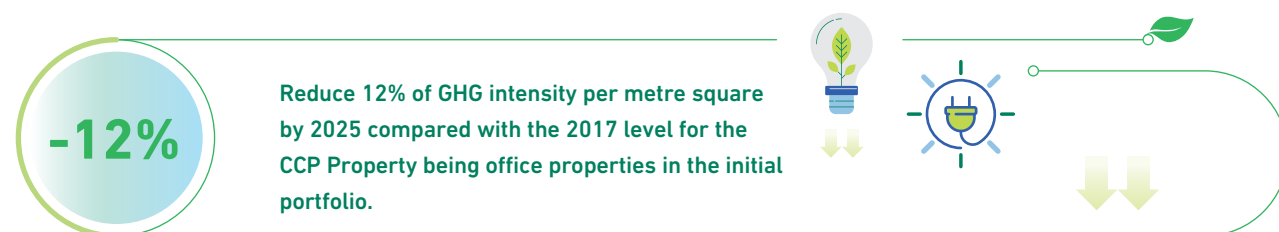
Types of Waste ⁵		Unit	2024 ^{Note}
Non-recyclable Waste	Total	Tons	12,073
	Intensity	Tons/m ²	0.041
Recyclable Waste	Total	Tons	382
	Intensity	Tons/m ²	0.001
General Construction Waste	Total	Tons	6,617
	Intensity	Tons/m ²	0.023
Hazardous Waste	Total	Tons	0.38
	Intensity	Tons/m ²	NA

Note: For the 2024 data collection, we have extended our data collection scope to include the Manager's Hong Kong office, in addition to Huamao Place, a shopping mall, which was included only starting from 2023. Aside from the distinctive characteristics and operations of these assets, the 2024 data is based on actual collection unlike previous years reliant on estimations – comparability of data across the years is affected. To address this, previous years' data has been excluded from the above table, focusing solely on the data from the Reporting Year. Going forward, we commit to maintaining methodological consistency while pursuing more comprehensive and detailed data collection practices to ensure higher quality data for future assessments.

Greenhouse Gas ("GHG") Emissions

Energy consumption stands out as the leading factor contributing to greenhouse gas emissions stemming from the operations of both the CCP Property and Huamao Place. To effectively reduce our carbon footprint, we have persistently directed substantial endeavours towards bolstering energy efficiency⁶.

Moreover, we are responding to the national government's call for decarbonization by setting the following long-term goal for reducing greenhouse gas emissions:



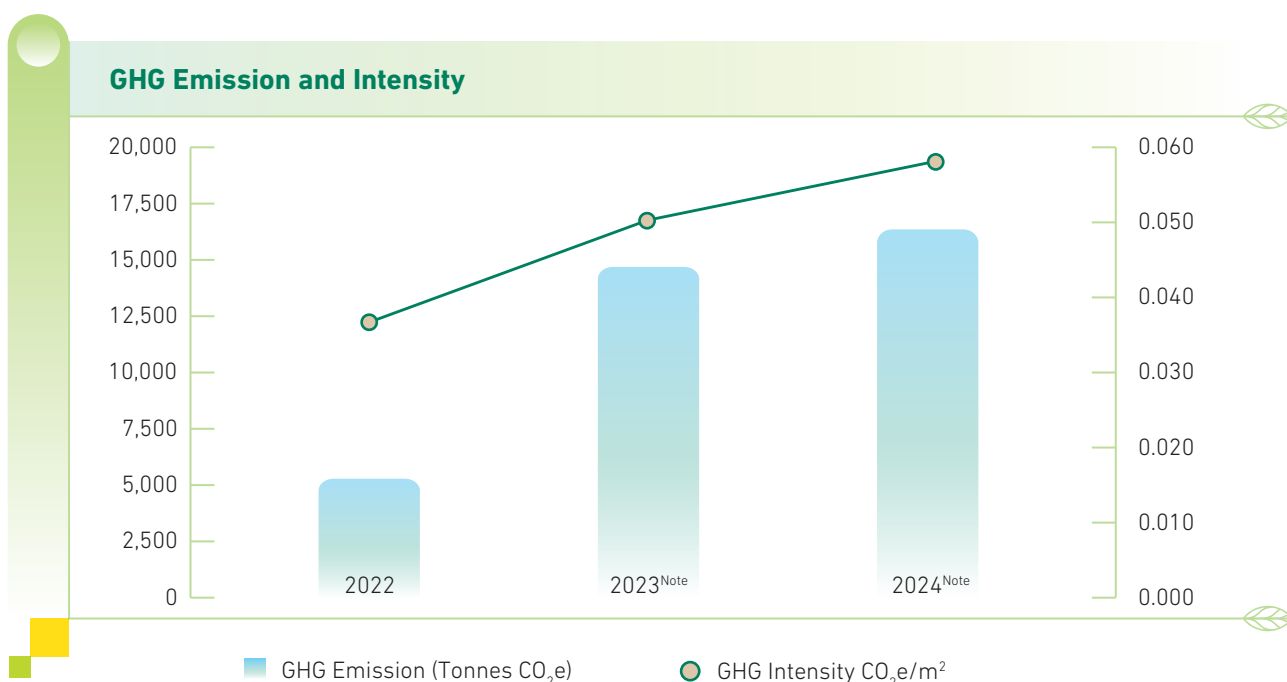
⁵ Non-recyclable waste includes domestic and household waste. Recyclable waste includes food waste, plastic, paper, glass, and other recyclables. General construction waste includes the waste generated from interior renovation and building enhancement work. Hazardous waste includes the general office hazardous waste requiring special treatment such as fluorescent tubes and ink cartridges. All hazardous waste was stored, collected, and disposed of by a licensed collector appointed by the Building Manager.

⁶ Please refer to section "Use of Resources" for more details regarding measures to optimise energy efficiency.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

GHG emissions from the Manager's Hong Kong office, the CCP Property and Huamao Place during the Reporting Year are shown as follows:

GHG Emissions ⁷	Unit	2024 ^{Note}	2023 ^{Note}	2022
Total	Tonnes of CO ₂ e	16,197	14,707	5,276
Intensity	Tonnes of CO ₂ e/m ²	0.056	0.049	0.036



Note: For the 2024 data collection, we have extended our data collection scope to include the Manager's Hong Kong office, in addition to Huamao Place, a shopping mall, which was included starting from 2023. This expansion enhances our coverage of fuel and energy consumption data, potentially impacting the comparability across the three years due to the distinct characteristics and operations of these properties.

⁷ The calculation covers only Scope 1 and Scope 2 GHG emissions. In the 2022 calculation, the national baseline emission factors released by the Ministry of Ecology and Environment of the PRC (中華人民共和國生態環境部) were incorporated. For the 2023 calculation, GHG emissions were computed using emission factors outlined in the Greenhouse Gas Protocol, published by the World Resources Institute ("WRI") and the World Business Council on Sustainable Development ("WBCSD"), as well as the ESG Reporting Guide by the HKEX. In the 2024 calculation, a review and update of relevant emission factors were conducted, alongside consideration of the latest emissions factor provided by HK Electric following the expanded energy data collection scope, which now includes the Manager's Hong Kong office.

CASE STUDY

The CCP Property's Transition to 100% Renewable Electricity Sourcing

In recent years, Beijing has inaugurated green power trading initiatives. Since the Reporting Year, the CCP Property has transitioned to sourcing 100% of its electricity from renewable sources through Beijing's electricity market trading system, supporting green operations for both tenant and public area operations. This transition involves procuring wind power, photovoltaic energy, and other renewable sources in alignment with national policy mandates. Concurrently, we have engaged a power sales company to oversee the trading of green power within the market, underscoring our commitment to sustainability and environmental responsibility.



CASE STUDY

Solar Panel Initiative at Huamao Place

At Huamao Place, we have taken a significant step towards sustainability by installing 6,000 square meters of photovoltaic panels on the roof. This eco-friendly initiative harnesses solar energy to generate 900,000 kWh of electricity each year. Not only does this effort contribute to the project's energy needs, but it also plays a crucial role in environmental conservation by reducing emissions by an impressive 720+ tonnes annually by estimation.



Use of Resources

In order to reduce resource consumption, the Manager has collaborated closely with the Building Manager to implement a range of initiatives. These efforts encompass conducting awareness campaigns and consistently investing in energy-efficient equipment to advocate for resource preservation. Furthermore, the Building Manager diligently oversees water and energy consumption levels, swiftly investigating and implementing corrective measures upon detecting any irregularities. This proactive stance guarantees timely and efficient resolution of any issues that may arise.

Energy Use

The lighting, air conditioning, elevators, and escalators in the shared spaces have been highlighted as the key drivers of energy usage at the CCP Property and Huamao Place. In a display of the Manager's commitment to environmental stewardship and ongoing efforts to track our advancements in energy conservation, an energy consumption reduction objective has been set:



The CCP Property has implemented the Office Building Energy Management System to formalise energy consumption management, while Huamao Place has also adopted an Energy Management System for the same purpose. These initiatives establish standardised protocols for monitoring and regulating energy usage within each property, fostering sustainable and efficient practices.

At the CCP Property, the Techcon-EEC Energy-saving Expert Control System has been operational since 2017, offering advanced energy management solutions and consumption diagnostics for the central air conditioning and heating system. Recognizing that the central air-conditioning system accounts for about one-third of total energy consumption at Huamao Place, Energy Saving Measures for the Central Air Conditioning System have been developed to further reduce energy usage associated with air conditioning across Spring REIT's portfolio. These measures include guidelines specifying adjustments in the number of operating air-conditioning units and their cooling capacity daily based on varying weather conditions. Additionally, specific maintenance requirements for the central air-conditioning system are outlined to ensure optimal performance and efficiency.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

The following measures are some examples taken by the Building Manager to improve energy efficiency in the CCP Property and Huamao Place:



Installation of LED lights in the buildings to further reduce electricity consumption;



Installation of high-speed roller shutters at the car park entrance for better regulation of indoor temperature⁸; and



Optimised schedule of cleaning and maintenance works for the fan coil units and PM2.5 electrostatic precipitators⁹ in the managed buildings to provide tenants with a comfortable and energy-efficient work environment.

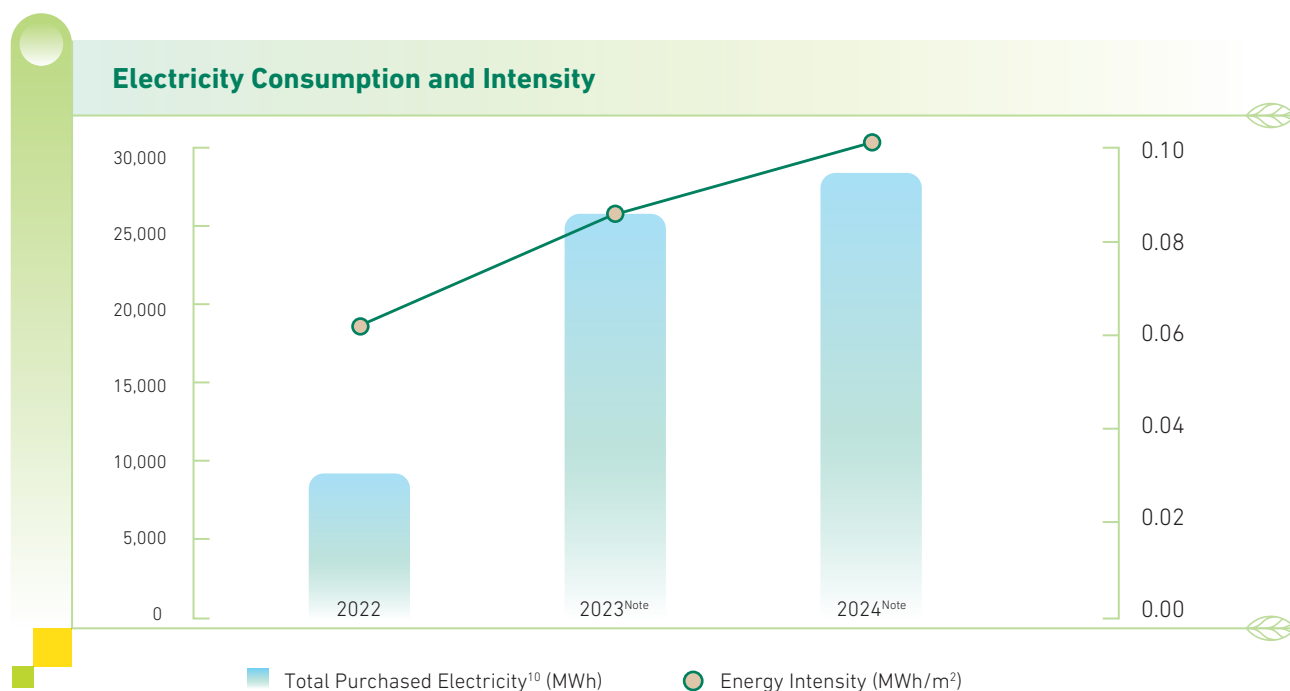
⁸ The high-speed roller shutters mentioned are exclusively applicable to the CCP Property.

⁹ The PM2.5 electrostatic precipitators mentioned are exclusively applicable to the CCP Property.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

Energy consumption from the Manager's Hong Kong office, the CCP Property and Huamao Place during the Reporting Year is shown as follows:

Energy Consumption	Unit	2024 ^{Note}	2023 ^{Note}	2022
Total Purchased Electricity ¹⁰	MWh	28,398	25,715	9,080
Intensity	MWh/m ²	0.098	0.085	0.062



Note: For the 2024 data collection, we have extended our data collection scope to include the Manager's Hong Kong office, in addition to Huamao Place, a shopping mall, which was included starting from 2023. This expansion enhances our coverage of energy consumption data, potentially impacting the comparability across the three years due to the distinct characteristics and operations of these properties.

¹⁰ Excludes tenant consumption in leased units which were not directly controlled by the Building Manager and the Property Manager.



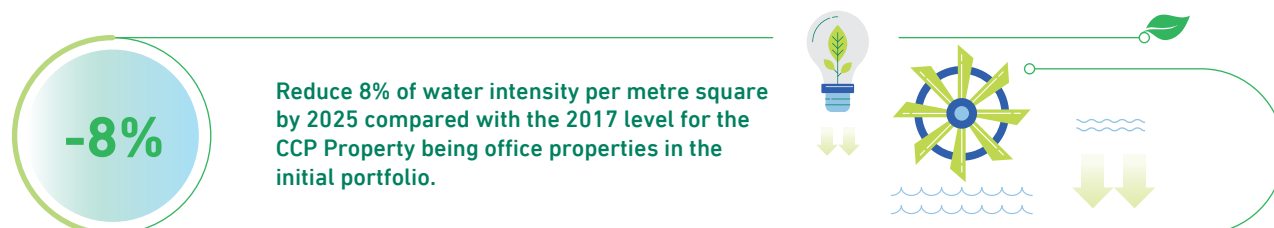
Enhancing Energy Efficiency through Sun-Shading Curtain Upgrades at the CCP Property

At the CCP Property, the Building Manager and the Property Manager have upgraded the sun-shading curtains in the managed office buildings to minimise direct sunlight exposure, lower air conditioning demands, and conserve energy. By implementing these new curtains, the Manager seeks to improve the indoor environment for occupants by reducing the impact of intense sunlight, consequently decreasing the reliance on air conditioning systems. This proactive measure not only fosters energy efficiency but also results in cost savings and supports Spring REIT’s commitment to environmental sustainability across the portfolio.



Water Use

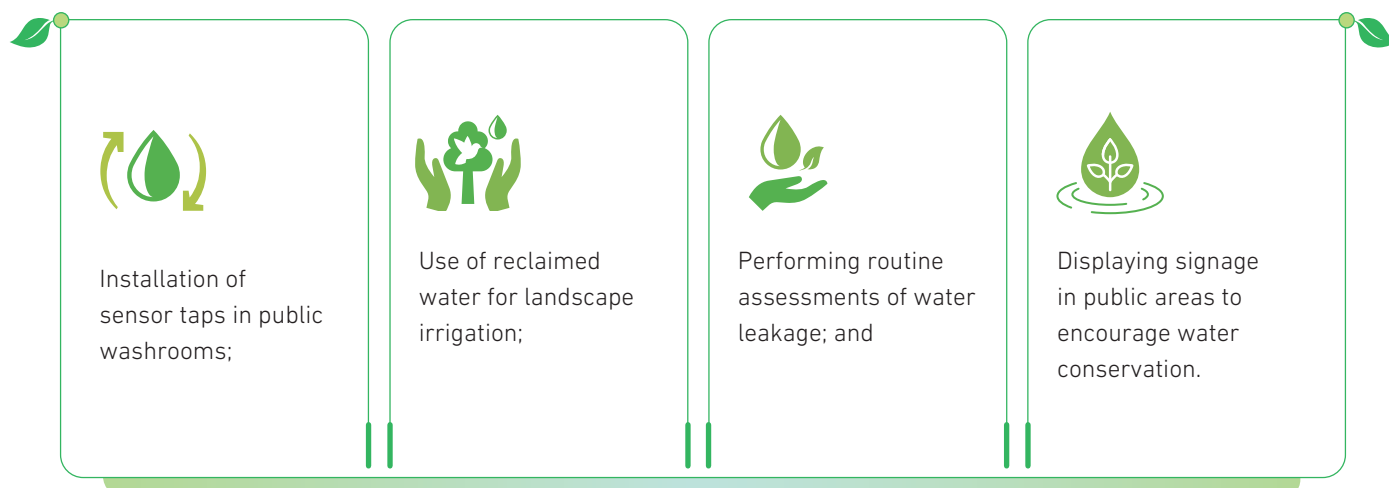
The Building Manager showcases a strong dedication to efficiently overseeing the considerable water usage in the day-to-day operations of both the CCP Property and Huamao Place. In a bid to advocate for sustainable resource utilization, the Manager has established a target for reducing water consumption, striving to foster responsible and efficient water management practices:



The Building Manager is committed to ensuring tenants have access to high-quality domestic water supply and standardizing water management procedures. In the event of emergency water leakage incidents, the Building Managers at the CCP Property and Huamao Place have developed specific management policies and emergency response plans respectively. These protocols are designed to safeguard the managed properties and ensure the well-being of all occupants.

At the CCP Property, the Emergency Water Leakage Contingency Plan is in place to mitigate potential damages and losses. This plan focuses on swiftly containing water spread through effective measures and fostering seamless communication among personnel across departments. At Huamao Place, the Preventive Water Leakage Management System has been developed, incorporating both preventive and emergency protocols. It prioritises preventive actions like tenant awareness building, enhanced monitoring, system adjustments, regular inspections, and staff training, alongside emergency procedures for incident response.

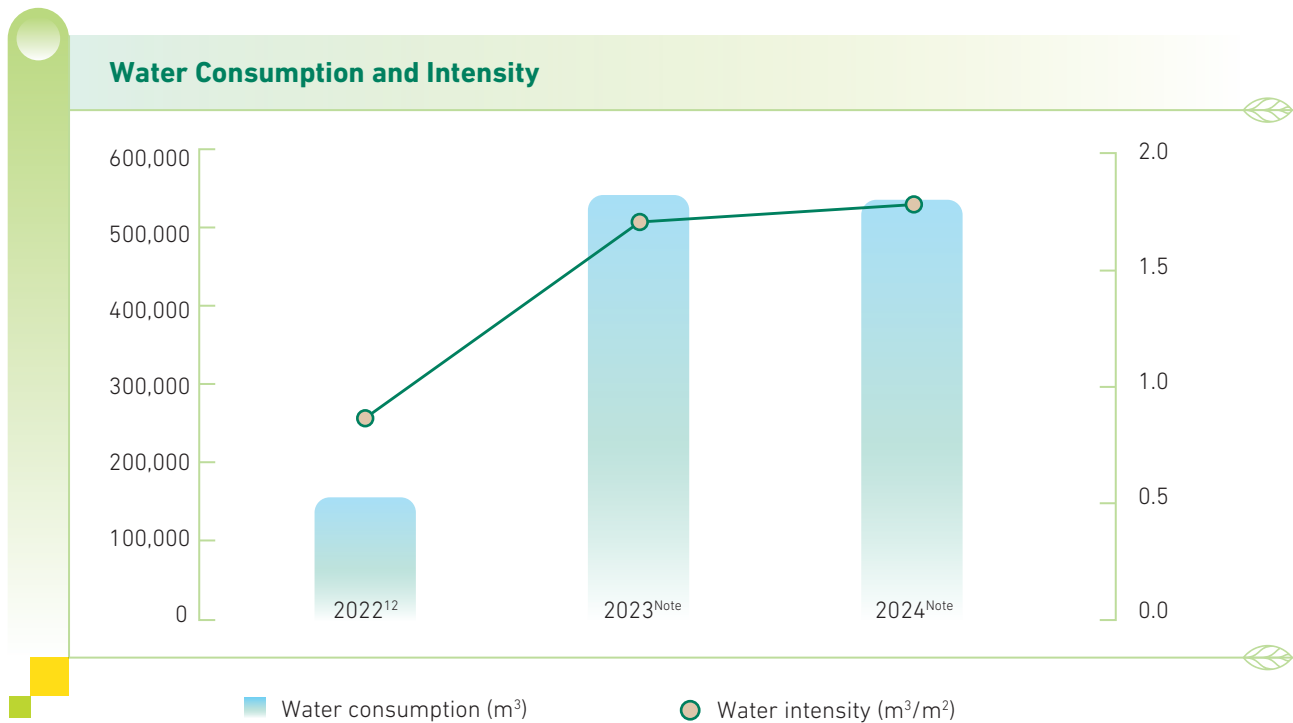
As part of the management strategy, it is mandatory for relevant engineering personnel to analyse water consumption data from each unit at the CCP Property and Huamao Place on a monthly basis. If any irregular consumption patterns are identified, immediate investigations and corrective measures are initiated to prevent water resource wastage. Additionally, to further advocate for water conservation, various key water-saving initiatives are implemented, including:



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

Water consumption from the CCP Property and Huamao Place during the Reporting Year is shown as follows:

Water Consumption ¹¹	Unit	2024 ^{Note}	2023 ^{Note}	2022 ¹²
Total	m ³	507,960	514,693	127,422
Intensity	m ³ /m ²	1.75	1.71	0.88



Note: 2024 and 2023 data include the newly acquired Huamao Place, a shopping mall, which has different characteristics and operations compared to the office buildings reported in previous years, potentially affecting comparability across the three years.

¹¹ Excludes tenant consumption in leased units which were not directly controlled by the Building Manager and the Property Manager.

¹² The decrease in water consumption in 2022 was recorded as a result of the major lockdowns in Beijing, in 2022 Q4 especially.

CASE STUDY

The CCP Property Hosts “Green Future, Better Tomorrow” Event on Earth Day

To showcase our dedication to environmental preservation, the Property Manager seized the opportunity to commemorate Earth Day in April 2024 alongside the Building Manager and our esteemed tenants at the CCP Property. The meticulously planned event, titled “Green Future, Better Tomorrow” was designed to make a meaningful impact and advocate for sustainable practices within the community. The enthusiastic response we received underscored the participants’ eagerness and commitment to effecting positive change.

The event’s triumph can be credited to the wide array of materials that were gathered and recycled. By collecting items such as old clothing, books, waste paper, used batteries, expired medication, and electronic waste, participants involved not only diverted these goods from landfills but also ensured their appropriate processing for repurposing and recycling.

The unanimous acclaim and enthusiastic feedback from tenants highlighted their profound appreciation for the event’s objectives and its influence on waste management and environmental conservation. Through active community involvement, we nurtured a sense of shared responsibility and empowered individuals to enact change in their daily routines.



Environment and Natural Resources

In alignment with Spring REIT’s steadfast commitment to responsible operations and sustainable development, the Manager places a strong emphasis on environmental stewardship and promoting a harmonious relationship between humanity and nature throughout the management and operation of the CCP Property and Huamao Place. Beyond the previously mentioned environmental considerations, Spring REIT actively identifies and addresses various significant environmental issues as part of its ongoing efforts to reduce its environmental footprint and minimise its impact on the surrounding ecosystem. These proactive measures underscore Spring REIT’s dedication to environmental responsibility and its unwavering commitment to fostering a sustainable and ecologically conscious approach to property management and development.

Green Building

Recognizing the environmental implications of property management, the Manager is deeply committed to advancing Spring REIT's sustainability initiatives. Both the Building Manager and the Property Manager are steadfast in their efforts to enhance building performance in line with international and local green building standards. Our dedication to sustainable development at the CCP Property and Huamao Place has been acknowledged through various green building certifications. The CCP Property was accredited with the China Green Building Level 2-star¹³ and the LEED Platinum Certification under the LEED for Existing Buildings: Operations and Maintenance. During the Reporting Year, Huamao Place was awarded LEED Gold Certification for Existing Buildings: Operations and Maintenance. These recognitions symbolizing our unwavering dedication to sustainable practices and eco-conscious operations throughout Spring REIT's property portfolio.



The Manager remains committed to seeking further opportunities to enhance Spring REIT's performance in green building operations, aiming to minimise its potential impact on the environment.

Renovation

The Building Manager has established the Renovation Management Office ("**RMO**") to oversee and regulate noise, odour, and waste levels resulting from renovation, repair, and maintenance activities within the CCP Property. The RMO enforces written guidelines to ensure compliance. For instance, the Tenant Handbook and Renovation Manual outline the necessary requirements that all tenants must adhere to when undertaking building renovation and maintenance works in the CCP Property and Huamao Place respectively. Various requirements include but are not limited to the following:

 <p>Materials should meet designated environmental standards (i.e. non-hazardous, odourless and harmless);</p>	 <p>Renovation can only be performed during non-office hours and public holidays;</p>	 <p>Flammable materials should not be stored in office areas;</p>	 <p>Waste should be properly packed and disposed of in designated areas; and</p>	 <p>Inspections should be carried out by the RMO to assess the potential impact on public safety.</p>
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¹³ As of 31 December 2024, the certification renewal of the China Green Building Level 2-star is in progress.

Climate Change

Climate change is a pressing global issue, with carbon neutrality emerging as a common objective for nations worldwide. The Paris Agreement, ratified in 2015, stands as a pivotal international accord mandating reductions in greenhouse gas emissions. China, a key player in the global fight against climate change, has committed to peaking its carbon emissions before 2030 and attaining carbon neutrality by 2060, signalling a crucial step towards a more sustainable future.

Given the locations of the CCP Property in Beijing and Huamao Place in Huizhou, these managed properties may face risks associated with extreme weather events and other climate-related factors. In alignment with the Task Force on Climate-related Financial Disclosures ("**TCFD**") recommendations, the Manager conducts regular climate-related risk assessments. These assessments help in identifying potential financial and operational impacts on Spring REIT's operations, exploring opportunities, and devising action plans to address climate change.

The Manager is dedicated to prioritizing and proactively managing climate-related risks, recognizing the critical role of sustainability in fostering long-term business growth while addressing the pressing need to mitigate the impacts of climate change.

In a concerted effort to enhance its climate governance and risk management practices, the Manager has enlisted the support of external consultants. Collaborating closely with the Sustainability Committee, the Manager initiated this strategic endeavour during the Reporting Year. This partnership signifies a proactive step towards strengthening Spring REIT's resilience to climate risks and underscores the Manager's commitment to upholding robust environmental stewardship practices. Further details and insights stemming from this collaborative effort will be unveiled in the upcoming report, reflecting Spring REIT's ongoing dedication to sustainability and climate action.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

Physical Risks

Risk Category	Risk	Timeframe ¹⁴	Financial Implications
Acute	Extreme weather events (e.g. flooding, tropical cyclones, wildfires)	Short-term	<ul style="list-style-type: none"> Reduced revenue and higher costs from increased health and safety risks to personnel, including loss of workforce and absenteeism Reduced revenue from business interruptions, such as supply chain interruptions due to traffic difficulties Increased capital costs from the maintenance and replacement of damaged and/or destroyed assets
Chronic	Rising temperatures (e.g. heatwaves)	Medium- to long-term	<ul style="list-style-type: none"> Reduced revenue from lower productivity due to extreme heat, including restrictions on working outdoors Higher operating costs for cooling

Transitional Risks

Risk Category	Risk	Timeframe ¹⁴	Financial Implications
Policy	Carbon pricing	Short- to medium-term	<ul style="list-style-type: none"> Higher operating costs from compliance with new standards and disclosure requirements Write-offs and early retirement of existing equipment and appliances due to policy changes Increased taxes and higher expenditures on offsetting carbon emissions
	Enhanced climate-related reporting obligations	Short- to medium-term	
	Tighter building energy codes	Short- to medium-term	
Market	Changing customer behaviour	Medium- to long-term	<ul style="list-style-type: none"> Reduced demand for traditional products and services due to shifts in consumer preferences to green alternatives Increased operating costs due to the shift to low-carbon and renewable energy-driven economy

¹⁴ Short-term: 0-2 years; mid-term: 3-5 years; long-term: 5+ years.

Responding to Potential Impacts

In light of the potential financial and operational impacts associated with climate change, the Manager maintains ongoing communication with the Building Manager and the Property Manager. The Building Manager and all relevant onsite personnel are consistently prepared and equipped with the necessary knowledge to effectively address climate-related incidents. This includes developing and implementing relevant contingency plans to mitigate potential risks.

For instance, the Building Manager at the CCP Property has developed comprehensive plans to address various weather-related challenges. These plans collectively contribute to the overall preparedness and resilience of the CCP Property in the face of various climate risks associated with challenges brought by extreme weather.

CASE STUDY

Snow Clearing and Ice Removal Emergency Plan

Throughout the Reporting Year, Beijing grappled with the aftermath of two significant snowstorms. Adhering to the Snow Clearing and Ice Removal Emergency Plan, the Building Manager, the Property Manager, and all on-site personnel from the CCP Property actively engaged in snow clearing and ice removal efforts. Immediate action was taken to mobilise security and cleaning teams to swiftly clear the accumulated snow, ensuring a prompt restoration of order within the property.

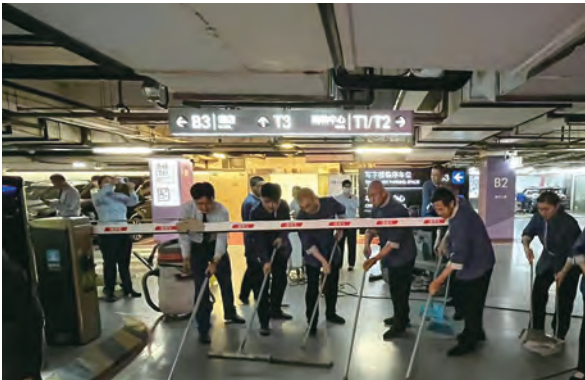
The persistent severe weather conditions, marked by continuous heavy snowfall and low temperatures, resulted also in the formation of ice along the edges of our office building rooftops, posing a potential risk of falling objects from height. In response to this safety concern, the Environmental Team promptly collaborated with an external wall-cleaning service provider to carry out ice removal on the roofs of the managed office buildings, effectively mitigating the safety hazards posed by the icy conditions.



CASE STUDY

Flood Emergency Response Plan

A comprehensive Flood Emergency Response Plan has been implemented to ensure a systematic and effective response to flooding incidents. To enhance drainage capacity within the CCP Property, the Building Manager has been consistently increasing inspections and improving infrastructure, particularly in flood-prone areas, to prevent any drainage blockages. Furthermore, emergency procedures and precautions have been established to minimise the impacts of floods. Regular training programs and drills are conducted for designated personnel to ensure they are well-versed in their roles and responsibilities during flooding events.



CASE STUDY

Typhoon Emergency Plan

Considering the rising risks associated with typhoon events, a comprehensive Typhoon Emergency Plan is developed. The Building Manager will diligently monitor daily weather forecasts and promptly initiate necessary actions when a typhoon reaches or exceeds the fourth level. The plan encompasses a range of measures, including but not limited to, the following:

- Intensifying the inspections on the exterior of the building, such as the stability of exterior decorations and external facilities;
- Conducting regular checks on the firmness of the windows and switches, and report immediately for repair if any problems are identified;
- Prohibiting working at height; and
- Protecting the concerned site and placing caution signs if damage or fragmentation of doors and windows is identified.

SOCIAL PERFORMANCE

Employment

While Spring REIT does not have employees, the Manager acknowledges the pivotal role of human resources in achieving Spring REIT's business objectives. To this end, the Manager has implemented an effective human resources management system focused on fostering a safe, motivated, and inclusive work environment for all individuals associated with Spring REIT. The Employee Handbook details key initiatives supporting this goal, including:



Provision of competitive remuneration and welfare packages to attract and retain talents;



Adherence to standardised recruitment, dismissal, and promotion procedures to ensure fairness and equal opportunities;



Regular performance review mechanisms to provide employees with ongoing feedback and offer career development opportunities; and



Provision of adequate rest hours for employees.

Furthermore, the Manager is dedicated to cultivating a diverse and inclusive workforce by actively engaging individuals from various backgrounds. This strategy creates a platform where human resources can be fully utilised and optimised. Throughout the employment process, the Manager upholds core principles of fairness and transparency, guaranteeing equal opportunities and impartial treatment for all individuals involved. Regardless of nationality, race, religion, gender, age, or family situation, the Manager is committed to providing all employees with a fair and inclusive working environment based on individual qualifications, experience, and professional standing.

During the Reporting Year, the Manager was not aware of any incidents of non-compliance with laws and regulations¹⁵ in relation to employment practices.

¹⁵ Including but not limited to the Cap 57 Employment Ordinance of Hong Kong Special Administrative Region ("HKSAR"), Labour Law of the PRC, Labor Contract Law of the PRC, Labor Union Law of the PRC.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

Workforce ¹⁶		2024		
Total workforce	Number	222		
• The Manager	Percentage	4.95		
• Contractors	Percentage	95.05		
By gender		Male	Female	
• The Manager	Percentage	45.45	54.55	
• Contractors	Percentage	79.15	20.85	
By employee category		General staff	Middle management	Senior management
• The Manager	Percentage	18.18	54.55	27.27
• Contractors	Percentage	84.83	12.80	2.37
By age group		< 30 years old	30-50 years old	>50 years old
• The Manager	Percentage	18.18	63.64	18.18
• Contractors	Percentage	43.13	50.24	6.64
By geographical region		Hong Kong	Mainland China	
• The Manager	Percentage	72.73	27.27	
• Contractors	Percentage	0	100.00	

Turnover ¹⁷		2024		
Overall staff turnover rate	Percentage	18.18		
By gender		Male	Female	
	Percentage	20.00	16.67	
By age group		<30 years old	30-50 years old	>50 years old
	Percentage	50.00	14.29	0
By geographical region		Hong Kong	Mainland China	
	Percentage	25.00	0	

¹⁶ The scope of "Workforce" statistics pertains to the direct employees of the Manager (and its subsidiary), as well as the employees of contractors (the Building Manager and other delegates in Beijing and Huizhou) responsible for operational functions and service provision of the CCP Property and Huamao Place on behalf of the Manager since 2023.

¹⁷ It includes only the direct employees of the Manager (and its subsidiary).

The Building Manager at the CCP Property and Huamao Place places a high emphasis on nurturing a strong sense of unity and team spirit among employees, regardless of their age group or job title. To achieve this, the Building Manager at the CCP Property and Huamao Place proactively organises employee activities that promote bonding and collaboration among all team members. These activities provide valuable opportunities for employees to interact and engage with colleagues they may not typically encounter in their daily work routines. By breaking down barriers and promoting cross-functional relationships, these initiatives help bridge gaps, foster mutual understanding, and cultivate a cohesive and supportive work environment. Ultimately, these efforts lead to increased job satisfaction, heightened employee morale, and enhanced overall productivity within the workplace.

CASE STUDY

A Celebration of Diversity and Inclusion on International Women's Day at Huamao Place

On International Women's Day, the Building Manager and the Property Manager at Huamao Place organised a special employee engagement initiative to celebrate and honour the women in their workforce. Recognizing the invaluable contributions and achievements of women in the workplace, the event was designed to promote gender equality, diversity, and inclusion. This initiative not only highlighted the importance of empowering women but also underscored the commitment of the Manager to foster a supportive and inclusive work environment where all employees, regardless of gender, feel respected, valued, and inspired to excel across the operation of Spring REIT.



Health and Safety

At Spring REIT, the Manager places a high priority on the well-being of our tenants, employees, and stakeholders by implementing robust health and safety practices across managed properties. A comprehensive Workstation Risk Assessment Checklist has been developed to ensure a healthy and safe working environment. This checklist evaluates various facilities like display screens, input devices, work desks, chairs, document holders, footrests, illumination, and noise levels to identify and address potential health and safety risks promptly.

Both the Building Manager and the Property Manager are committed to proactively identifying and preventing occupational hazards at the CCP Property and Huamao Place. Only certified personnel are authorised to handle heavy machinery and equipment during maintenance activities. Health and safety management is reinforced through systematic risk identification processes, communicated and documented formally in "Hazard Identification and Evaluation Form" and the "Environmental Factors Identification and Assessment Sheet". Safety workbooks are provided and distributed among relevant personnel to enhance staff understanding and compliance with safety protocols.

Concerning the CCP Property, Beijing's air quality has been a focal point for local tenants and visitors. The Building Manager has regulated indoor air quality control by installing air purification systems with electrostatic filters and activated carbon layers. Through these measures, the CCP Property has successfully reduced PM2.5 levels, achieving the Grade 1 national standard of 35 $\mu\text{g}/\text{m}^3$, thus ensuring the provision of clean and high-quality indoor air.

In a proactive measure, the Building Manager has deployed four additional automated external defibrillators ("AEDs") and arranged first aid training for relevant staff since 2021. Similarly, during the Reporting Year, first aid training by the Red Cross Society of China Beijing Branch was arranged for operational staff, ensuring they are equipped to handle AEDs and emergencies effectively.

Work-related Fatalities and Injuries		2024	2023	2022
Total number of work-related fatalities	Number	0	0	0
Work-related fatality rate	Percentage	0	0	0
Total number of injuries	Number	0	0	0
Total number of lost days due to work injury	Number	0	0	0

During the Reporting Year, the Manager was not aware of any incidents of non-compliance with laws and regulations¹⁸ in relation to occupational health and safety.

¹⁸ Including but not limited to the Occupational Safety and Health Ordinance of the HKSAR, Work Safety Law of the PRC.

CASE STUDY

Fire Safety Preparedness at Huamao Place

At Huamao Place, the Building Manager and the Property Manager orchestrated comprehensive training sessions within the mall's fire control room for the emergency response team and mall inspectors. These sessions focused on elucidating the operational principles and functions of critical fire safety components such as fire alarm controls, linkage controllers, early warning alarm systems, and CRT graphic display devices.

Moreover, our proactive engagement extended to inviting firefighters from the local fire department for specialised skills training. This training encompassed a thorough exploration of firefighting combat suits, including their functionality, proper usage guidelines, equipment maintenance practices, and efficient techniques for the swift deployment and stowing of fire hoses.

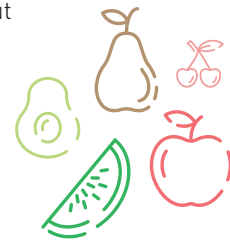
Concurrently, a series of meticulously planned fire drills served as a platform for the Building Manager and the Property Manager to assess on-site personnel at Huamao Place. These drills evaluated the team's proficiency in fire containment, emergency evacuation procedures, and seamless coordination with local fire authorities. The overarching aim of these drills was to ensure that tenants were not only familiar with their designated fire escape routes but also equipped with essential safety measures during evacuations and adept in the correct use of firefighting equipment.

In addition to these, the Building Manager and the Property Manager partnered with the local fire department to raise public awareness on fire safety. Initiatives included educating individuals on how to effectively operate fire extinguishers, differentiate between authentic and counterfeit power supplies, and distributing informative materials such as home fire prevention manuals and industrial fire safety guides. Through these collective efforts, our goal remains to strengthen the preparedness and capabilities of our community in effectively managing unexpected crises.

CASE STUDY

Employee Well-being in High-Temperature Environments at Huamao Place

Acknowledging the potential hazards of extreme heat, the Building Manager and the Property Manager at Huamao Place prioritise the health and safety of their employees during periods of heightened temperatures. Understanding the paramount importance of employee well-being in such challenging conditions, we have taken proactive steps to ensure their welfare. In response to extreme heat events, the Building Manager and the Property Manager offer a range of amenities such as fresh fruit and cooling refreshments for our on-site personnel. This thoughtful gesture not only provides respite from the intense heat but also aims to raise awareness about the multifaceted aspects of maintaining well-being under such circumstances. By highlighting the significance of adequate hydration, nutritious food choices, and heat safety practices, we strive to cultivate a work environment that supports the holistic health of all members.



Development and Training

Spring REIT attributes its success to the performance of individuals across all levels, under the guidance of the Manager, Property Manager, and Building Manager. Understanding the significance of nurturing internal competencies and skills, the Manager prioritises fostering a positive learning environment and offering continuous training and development opportunities. This strategy ensures that employees remain informed about market trends and advancements.

Training sessions covering compliance, business ethics, and climate-related risks, were provided during the Reporting Year. These sessions aimed to enable the Manager to effectively oversee properties, maintain high occupancy rates, achieve robust rental growth, and optimise net property income for Spring REIT.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

Special emphasis is placed on safety and technical training, with diverse sessions offered to operational staff under the supervision of the Building Manager and the Property Manager. Topics covered include fire drills, emergency response procedures, workplace safety protocols, customer service techniques, cyber security and anti-fraud programs. The objective is to equip operational staff at the CCP Property and Huamao Place with the essential knowledge and skills to manage various job-related situations effectively. Standardised training requirements are enforced for relevant operational staff under the Building Manager and the Property Manager, ensuring uniformity and excellence across managed properties.

Trained Employee and Training Hours ¹⁹		2024		
Percentage of trained employee – by gender		Male	Female	
• The Manager	Percentage	100.00	83.33	
• Contractors	Percentage	97.60	100.00	
Percentage of trained employees – by employee category		General staff	Middle management	Senior management
• The Manager	Percentage	100.00	83.33	100.00
• Contractors	Percentage	98.88	100.00	100.00
Average training hours – by gender		Male	Female	
• The Manager	Hours	7.70	10.27	
• Contractors	Hours	16.18	35.25	
Average training hours – by employee category		General staff	Middle management	Senior management
• The Manager	Hours	1.25	11.85	8.83
• Contractors	Hours	19.22	25.93	22.60

¹⁹ The scope of "Trained Employee and Training Hours" statistics pertains to the direct employees of the Manager (and its subsidiary), as well as the employees of contractors (the Building Manager and other delegates in Beijing and Huizhou) responsible for operational functions and service provision of the CCP Property and Huamao Place on behalf of the Manager since 2023. Data presented in previous reports do not include the subsidiary or the Building Manager and other delegates in Huizhou.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

Labour Standards

The Manager enforces a zero-tolerance policy towards unethical employment practices at Spring REIT. Throughout the operations of Spring REIT, the Manager, along with the Building Manager and the Property Manager, strictly adheres to all relevant laws and regulations concerning labour standards. There is a firm commitment to avoid the employment of individuals under the age of 18 or engaging in any form of forced labour during the Reporting Year.

During the recruitment process, candidates are required to provide identity documents such as identity cards, passports, and job references for documentation. This procedure ensures that candidates meet all job eligibility requirements as stipulated by applicable laws and regulations. The Building Manager and the Property Manager are responsible for implementing necessary investigative and preventive measures to mitigate related risks. These measures include the signing of employment contracts that outline the terms and conditions of employment to safeguard the interests of both parties. Any member of the Manager, Property Manager, or Building Manager found to violate labour requirements will face disciplinary action and potential legal prosecution.

During the Reporting Year, the Manager was not aware of any incidents of non-compliance with laws and regulations in relation to labour standards.

Supply Chain Management

Suppliers are strongly encouraged to align with environmentally and socially responsible practices at Spring REIT. Emphasis is placed on complying with fair labour standards and integrating sustainability into daily operations. By collaborating with suppliers who share these values, the Manager aims to establish a supply chain that promotes ethical principles and contributes to a more sustainable future.

In procurement processes, priority is given to suppliers and contractors with solid and accountable records in environmental and safety performance, product and service quality, regulatory compliance, as well as cost considerations. Suppliers that consistently fall short of expected standards may face consequences. When procuring goods, the Manager and Building Manager also consider environmental factors and advocate for the use of low-carbon and eco-friendly materials whenever feasible, such as paper certified by sustainable forestry practices. The Building Manager is encouraged to prioritise green procurement based on recommendations from the Manager when applicable.

Number of Suppliers by Geographic Location during the Reporting Year ²⁰		Hong Kong	Mainland China
• The Manager	Number	52	2
• Contractors	Number	0	165

²⁰ The scope of "Number of Suppliers by Geographic Location during the Reporting Year" statistics pertains to the direct employees of the Manager (and its subsidiary), as well as the employees of contractors (the Building Manager and other delegates in Beijing and Huizhou) responsible for operational functions and service provision of the CCP Property and Huamao Place on behalf of the Manager since 2023. Data presented in previous reports do not include the subsidiary or the Building Manager and other delegates in Huizhou.

CASE STUDY

ESG Tendering System in the CCP Property

The Building Manager at the CCP Property has implemented formalised supply chain management practices and prioritised ESG considerations in the procurement process through various initiatives. These efforts include ESG-focused tendering procedures aimed at promoting sustainability within the CCP Property.

One of the key initiatives is the Procurement Management Procedure, which standardises procurement activities related to the management and operation of the CCP Property. This procedure outlines departmental responsibilities, establishes a consistent workflow, and sets requirements for the procurement system at different stages.

To assess potential suppliers, a self-assessment form has been developed. This form allows the Building Manager to evaluate suppliers based on their environmental practices, labour management, supply chain practices, quality control, business ethics, and community investment. This information helps in making informed decisions and prioritizing suppliers aligned with CCP Property's ESG operational goals.

Additionally, a tender technical review form has been introduced to consider ESG factors for engineering work. These factors include green and energy-saving design quality, energy efficiency, indoor environment standards, social responsibility, corporate governance, and anti-corruption practices during construction and after completion of the project. By integrating these ESG considerations into the tender evaluation process, CCP Property aims to engage suppliers committed to sustainability and ethical business practices.

During the Reporting Year, the CCP Property sourced most of its paper from suppliers offering certified environmentally friendly products, such as those certified by the Forest Stewardship Council ("FSC") and the China Environmental Labelling Product Certification Standard. This ensured that the resources we used met established environmental standards. Other materials like hand sanitisers were also procured from suppliers holding green certificates, underscoring the CCP Property's dedication to sustainable practices.



Product Responsibility

Customer Services and Quality Assurance

On behalf of the Manager, the engagement of a highly qualified Building Manager by the Property Manager is important to ensure the effective management and operation of properties across Spring REIT. During the assessment process, several criteria will be taken into consideration. These criteria include qualifications such as the ISO 9001 Quality Management System and the First Grade Qualification of Realty Management Enterprise (一級資質物業管理企業) awarded by the Ministry of Housing and Urban-Rural Development of the People's Republic of China (中華人民共和國住房和城鄉建設部).

Alongside the qualifications of the Building Manager and the Property Manager, a comprehensive suite of management requirements and protocols has been formally established. This encompasses essential documents like the Employee Dedication and Self-discipline Management Handbook, the Handbook for the Engineering Department, and the Handbook for the Customer Service Department. These standardised practices not only ensure consistency and efficiency but also elevate operational effectiveness within both the CCP Property and Huamao Place.

Nurturing a robust landlord-tenant relationship stands as a crucial pillar in fostering enduring tenancy within Spring REIT. The Customer Service Department, under the guidance of the Building Manager, prioritises tenant satisfaction by promptly addressing their needs and concerns. In the event of customer complaints, standardised procedures are in place for frontline staff to handle and resolve issues efficiently. Staff representatives are designated for further investigation and follow-up actions as required, with a commitment to addressing 100% of received complaints. Tenant and visitor feedback are actively reviewed for ongoing service enhancements. During the Reporting Year, a total of 51 complaints is received in the CCP Property and Huamao Place. Prompt actions were taken by designated staff that all the complaints were handled and resolved professionally with positive feedback received.

During the Reporting Year, the Building Manager actively engaged with relevant stakeholders to gather feedback and insights. This initiative led to an impressive response, with over 1,400 valid responses received from the CCP Property and more than 300 valid responses from the Huamao Place. This high level of engagement not only demonstrates the effectiveness of the Building Manager's outreach efforts but also indicates a strong willingness among stakeholders to provide valuable feedback and contribute to the improvement of operations within the respective properties.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

Responsible Investment

Investors are placing a growing emphasis on evaluating companies based on specific ESG criteria, and the subset focused on responsible investments is expanding. In today's business environment, characterised by the need for a holistic approach that benefits all stakeholders, the Manager is dedicated to creating enduring value. This commitment entails methodically addressing the entire spectrum of responsible investment, encompassing both ESG risks and opportunities. At Spring REIT, the Manager is actively working to enhance ESG management practices and embed ESG considerations into decision-making processes related to investments. To achieve this, robust procedures and controls have been instituted to evaluate the ESG impact of each investment choice meticulously.

Information Security

The Manager places a paramount emphasis on data security and privacy protection concerning personal information, tenancy records, and other sensitive data for employees, tenants, and stakeholders. To uphold the integrity of this information in daily operations, the Manager, alongside the Building Manager and the Property Manager, has implemented a comprehensive data security framework. Internal protocols and measures are in effect to safeguard user data, limiting access to authorised personnel based on the principles of "need-to-know" and "need-to-use," enforced through physical and technological safeguards like Secure Sockets Layer ("SSL") and storage encryption. All data is securely stored on protected servers shielded by firewalls and anti-virus software. The handling of confidential information is explicitly outlined in relevant manuals and contracts.

Confidentiality requirements are outlined in the Employee Handbook, mandating strict adherence to the confidentiality system and prohibiting the disclosure of company document contents and commercial secrets. Regular information security training is provided to all employees, ensuring awareness of protocols and disseminating updates as needed. External parties, including suppliers and contractors, are expected to comply with the organization's elevated standards of information security and privacy.

During the Reporting Year, the Manager was not aware of any incidents of non-compliance with laws and regulations in relation to product responsibility and data privacy.

Anti-corruption

Integrity stands as a cornerstone for ensuring the long-term sustainability of corporate business operations at Spring REIT. The Manager maintains a zero-tolerance stance towards any forms of corruption and malpractice, expecting all employees and business partners to uphold high standards of business ethics and conduct in all business activities and dealings. The Anti-corruption Guidelines strictly prohibit employees from offering or receiving any form of advantages (e.g., money, entertainment, commissions) from directly or indirectly customers or business partners, using improper means for personal gain, engaging in extortion, fraud, or money laundering. Violations of these rules result in disciplinary actions, including termination. Regular internal training is provided to raise awareness of anti-corruption practices among employees.

To encourage the reporting of potential improprieties, misbehaviours, and corrupt practices, the Manager has established a Whistleblowing Policy. This policy encourages employees and external stakeholders to report concerns in good faith. The Manager pledges to keep the identity of whistleblowers confidential alongside all relevant reported information to prevent unfair treatment or reprisals. Internal investigations are promptly conducted upon receiving reports, with remedial actions taken as necessary based on investigation findings. The Whistleblowing Policy undergoes regular reviews for effectiveness by the internal auditor to ensure its continued relevance and efficiency.

During the Reporting Year, the Manager was not aware of any incidents of non-compliance with laws and regulations in relation to anti-corruption.

Community Investment

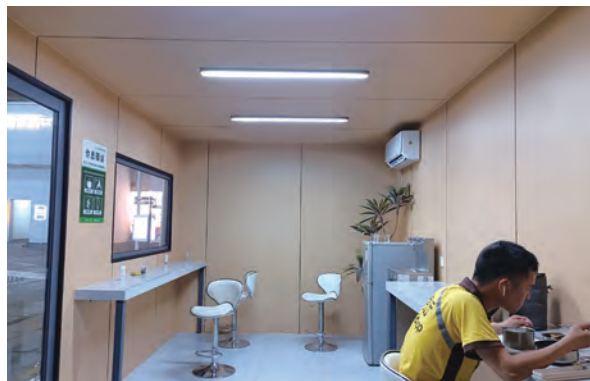
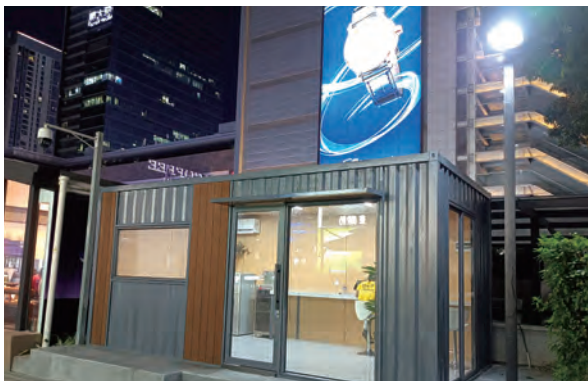
With a steadfast dedication to fostering a positive impact on the community, the Manager has established Volunteering Engagement Teams at the CCP Property and Huamao Place respectively. Comprised of the Building Manager, Property Manager, and other onsite staff, these teams signify a deep-rooted commitment to community involvement and social responsibility. The Manager's proactive approach extends to volunteer efforts and community engagement initiatives, aimed at involving tenants, visitors, and the broader community to enhance environmental and social consciousness.

These initiatives not only showcase the Manager's dedication to community welfare but also play a pivotal role in cultivating robust relationships with tenants and the local community. Through active participation in volunteer activities and community events, the teams work towards fostering a sense of community spirit and strengthening social cohesion. This collective effort not only enriches the community experience but also underscores the Manager's broader commitment to making a meaningful difference beyond business operations.

CASE STUDY

The 'Love Station' Initiative and Community Well-being at Huamao Place

In response to the diverse challenges encountered by outdoor workers, such as the availability of water, food, and adequate rest, a dedicated 'Love Station' has been established at Huamao Place. This innovative facility is thoughtfully outfitted with essential amenities, including air conditioning units, water dispensers, refrigeration facilities, and more, all designed to offer a welcoming and comfortable space for delivery personnel to recharge and rejuvenate. The positive reception and commendation from the takeaway staff not only underscores our dedication to community welfare but also reflects our ongoing investment in fostering a supportive and caring environment for those who serve our community tirelessly.



CASE STUDY

Community Care in Action with Free Haircuts for Local Children in Huizhou

The Volunteering Engagement Team from Huamao Place recently organised a heartwarming volunteering event aimed at providing free haircuts for local children. The team, comprising dedicated members including the Building Manager, Property Manager, and onsite staff, collaborated to bring smiles to the faces of the youngsters in the community. This initiative not only offered practical support but also fostered a sense of care and connection within the neighbourhood. By showcasing their commitment to social responsibility through such impactful endeavours, we exemplified the spirit of compassion and community service, leaving a positive and lasting impression on both the children and their families.



CASE STUDY

Uniting for a Life-Saving Cause with Blood Donation at the CCP Property

In response to the government's call for active participation in voluntary blood donation, the Building Manager and the Property Manager from the CCP Property have taken proactive steps to encourage and facilitate this noble cause within the community. Recognizing the critical need for blood donations to save lives and support healthcare initiatives, they have rallied tenants, staff, and stakeholders to join hands in this vital endeavour. By organizing on-site blood donation campaigns, spreading awareness through informational sessions, and providing logistical support, the Building Manager and the Property Manager have exemplified their commitment to community welfare and public health. Their dedication to answering the government's call for increased blood donations underscores their unwavering support for initiatives that make a tangible difference in the lives of those in need.

CONTENT INDEX FOR HKEX ESG REPORTING CODE

Mandatory Disclosure Requirements		Corresponding Section
Governance Structure	<p>A statement from the board containing the following elements:</p> <ul style="list-style-type: none"> (i) a disclosure of the board's oversight of ESG issues; (ii) the board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); and (iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses. 	<p>Sustainability Governance – Governance Structure</p>
Reporting Principles	<p>A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report:</p> <p>Materiality: The ESG report should disclose: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer's stakeholder engagement.</p> <p>Quantitative: Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed.</p> <p>Consistency: The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.</p>	<p>About This ESG Report – Reporting Standard</p>
Reporting Boundary	<p>A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.</p>	<p>About This ESG Report – Reporting Scope</p>

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

Aspect	KPI	Description	Corresponding Section
A. Environment			
A1 Emission	A1	General Disclosure	Environmental Performance –Emissions
	KPI A1.1	The types of emissions and respective emission data.	Considering the nature of the principal business, no significant air emissions were generated from Spring REIT's operations during the Reporting Year.
	KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environmental Performance –Emissions
	KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environmental Performance –Emissions
	KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environmental Performance –Emissions
	KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	Environmental Performance –Emissions
	KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Environmental Performance –Emissions

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

Aspect	KPI	Description	Corresponding Section
A2 Use of resources	A2	General Disclosure	Environmental Performance –Use of Resources
	KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Environmental Performance –Use of Resources
	KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Environmental Performance –Use of Resources
	KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Environmental Performance –Use of Resources
	KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Environmental Performance –Use of Resources
	KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Considering the nature of the principal business, no significant air emissions were generated from our operations during the Reporting Year.
A3 The environment and natural resources	A3	General Disclosure	Environmental Performance – Environment and Natural Resources
	KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environmental Performance – Environment and Natural Resources
A4 Climate change	A4	General Disclosure	Environmental Performance –Climate Change
	KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Environmental Performance Climate Change

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

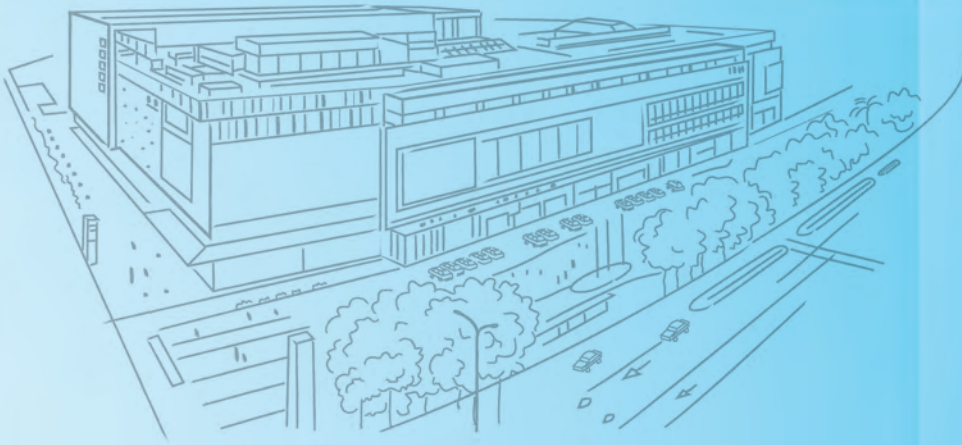
Aspect	KPI	Description	Corresponding Section
B1 Employment	B1	General Disclosure	Social Performance – Employment
	KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Social Performance – Employment
	KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Social Performance – Employment
B2 Health and safety	B2	General Disclosure	Social Performance – Health and Safety
	KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the Reporting Year.	Social Performance – Health and Safety
	KPI B2.2	Lost days due to work injury.	Social Performance – Health and Safety
	KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Social Performance – Health and Safety
B3 Development and training	B3	General Disclosure	Social Performance – Development and Training
	KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Social Performance – Development and Training
	KPI B3.2	The average training hours completed per employee by gender and employee category.	Social Performance – Development and Training

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

Aspect	KPI	Description	Corresponding Section
B4 Labour standards	B4	General Disclosure	Social Performance – Labour Standards
	KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Social Performance – Labour Standards
	KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Social Performance – Labour Standards
B5 Supply chain management	B5	General Disclosure	Social Performance – Supply Chain Management
	KPI B5.1	Number of suppliers by geographical region.	Social Performance – Supply Chain Management
	KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Social Performance – Supply Chain Management
	KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Social Performance – Supply Chain Management
	KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Social Performance – Supply Chain Management

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

Aspect	KPI	Description	Corresponding Section
B6 Product responsibility	B6	General Disclosure	Social Performance – Product Responsibility
	KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Considering the nature of the principal business, no products sold or shipped subjected to recalls for safety and health reasons during the Reporting Year.
	KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Social Performance – Product Responsibility
	KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Social Performance – Product Responsibility
	KPI B6.4	Description of quality assurance process and recall procedures.	Social Performance – Product Responsibility
	KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Social Performance – Product Responsibility
B7 Anti-corruption	B7	General Disclosure	Social Performance – Anti-corruption
	KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Social Performance – Anti-corruption
	KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Social Performance – Anti-corruption
	KPI B7.3	Description of anti-corruption training provided to directors and staff.	Social Performance – Anti-corruption
B8 Community investment	B8	General Disclosure	Social Performance – Community Investment
	KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Social Performance – Community Investment
	KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Social Performance – Community Investment



BOARD OF DIRECTORS AND SENIOR MANAGEMENT



BOARD OF DIRECTORS AND SENIOR MANAGEMENT

DIRECTORS

Toshihiro Toyoshima

Chairman and Non-executive Director

Mr. Toyoshima, aged 62, was appointed as the Chairman of the Board and a Non-executive Director of the Manager on 29 January 2013. Following a group restructuring, Mr. Toyoshima was appointed as director of Mercuria Holdings on 1 July 2021. Mr. Toyoshima has been the chief executive officer of Mercuria Investment since October 2008, and has been sitting on its board from its establishment in October 2005. Prior to joining Mercuria Investment, he worked in Development Bank of Japan from April 1985 to October 2008. Between July 2001 and September 2004, Mr. Toyoshima also worked at the World Bank as a senior private sector specialist, in charge of the private sector policies in four African countries.

Mr. Toyoshima graduated from the University of Tokyo with a Bachelor's degree in Law in 1985 and from the Massachusetts Institute of Technology with Master's degrees in Real Estate Development and City Planning in 1992.



Hideya Ishino

Non-executive Director

Mr. Ishino, aged 61, was appointed as a Non-executive Director of the Manager on 10 April 2013. Following a group restructuring, Mr. Ishino was appointed as director of Mercuria Holdings on 1 July 2021. He has been working for Mercuria Investment since June 2008 and has served as the chief operating officer of Mercuria Investment since March 2010. Before joining Mercuria Investment, Mr. Ishino co-founded Sports Vanguard Co., Ltd., a company which provides sports-related internet community services and trading platform, in March 2004. Mr. Ishino had also previously worked in Salomon Brothers (Tokyo) from April 1986 to March 2000.

Mr. Ishino graduated from the University of Tokyo with a Bachelor's degree in Liberal Arts in 1986.



Leung Kwok Hoe, Kevin

Executive Director and Chief Executive Officer

Mr. Leung, aged 54, was appointed as an Executive Director of the Manager in January 2017 and as Chief Executive Officer of the Manager on 1 June 2020. He is one of the Responsible Officers of the Manager. Mr. Leung has over 23 years of experience in finance and treasury, investment and fund management fields.

Before joining the Manager, he was the general manager, investment and investor relations, and a responsible officer of Henderson Sunlight Asset Management Limited that manages Sunlight Real Estate Investment Trust (Stock Code: 0435). Prior to that, he acted as the investment manager and a responsible officer of Link Asset Management Limited, the manager of Link Real Estate Investment Trust (Stock Code: 0823).

Mr. Leung holds a Master of Applied Science in Biopharmaceutical from The University of New South Wales in Australia, a Bachelor of Economics degree and a Bachelor of Laws degree, both from The University of Sydney in Australia. He is a Chartered Financial Analyst.



Chung Wai Fai, Michael

Executive Director and Chief Financial Officer

Mr. Chung, aged 43, was appointed as an Executive Director of the Manager on 24 March 2021 and as Chief Financial Officer of the Manager on 22 March 2023. He is one of the Responsible Officers of the Manager. He is responsible for supervising the overall financial management, identifying and evaluating potential acquisitions or investments and for investor relations activities. Mr. Chung has over 17 years of experience in asset management and investment research in the Asia ex-Japan region. Prior to joining the Manager, Mr. Chung was a senior fund manager and responsible officer of Imperial Capital Limited, where he was involved in launching an absolute-return Asia ex-Japan equity fund and assumed responsibilities in product development and strategy formulation. Previously, Mr. Chung was a fund manager of iVenture Investment Management Limited and was actively involved in investment idea generation, equity research, macroeconomic analysis, and day-to-day portfolio management of its absolute-return Asia ex-Japan equity fund. Mr. Chung started his career at PricewaterhouseCoopers, performing statutory audit works for companies in Hong Kong and mainland China.

Mr. Chung holds a Bachelor's degree in Business Administration (Finance) from Hong Kong University of Science and Technology and is a CFA charterholder.



Simon Murray

Independent Non-executive Director

Mr. Murray, aged 85, was appointed as an Independent Non-executive Director of the Manager on 20 November 2013. He was the founder and chairman of GEMS (General Enterprise Management Services Limited) a private equity group in 1998 and has changed his role to become the non-executive chairman as of July 2015. He is also an independent non-executive director of: (i) Wing Tai Properties Limited (Stock Code: 0369) since March 1994 and a non-executive director of (ii) China HK Power Smart Energy Group Limited (formerly known as China LNG Group Limited) (Stock Code: 0931) since April 2015 (after having been re-designated from the role of independent non-executive director which was appointed in October 2014).

Mr. Murray was an executive director of Hutchison Whampoa Ltd for 10 years. He was also the executive chairman, Asia Pacific of the Deutsche Bank Group between 1994 and 1998. Previously he acted as the vice chairman & independent non-executive director of Essar Energy plc (a company listed on the London Stock Exchange) from 2010 to 2014; the non-executive chairman of Glencore International plc (a company dually listed on the London Stock Exchange and the Hong Kong Stock Exchange (Stock Code: 805) from 2011 to 2013; the chairman & independent non-executive director of Gulf Keystone Petroleum Ltd. (a company listed on London Stock Exchange) between 2013 and 2015; the non-executive director of Vodafone Group Plc between 2007 and 2010, and independent director of Sino-Forest Corporation (a company listed on the Toronto Stock Exchange) between 1999 and 2013; the non-executive director of CK Asset Holdings Limited (Stock Code: 1113) between 2015 and 2017; the non-executive director of Compagnie Financière Richemont SA (a company listed on Swiss Exchange between 2003 and 2017, the independent non-executive director of Orient Overseas (International) Limited (Stock Code: 0316) between 1992 and 2018; and the independent non-executive director of IRC Limited (Stock Code: 1029) between 2016 (after having been re-designated from the role of non-executive director which was appointed in 2010) and 2020. Mr. Simon Murray retired as a non-executive director of Greenheart Group Limited (Stock Code: 0094) with effect from 31 May 2023.

Mr. Murray holds an honorary degree of Doctor of Laws from Bath University.



Tong Shumeng

Independent Non-executive Director

Ms. Tong, aged 52, was appointed as an Independent Non-executive Director of the Manager on 1 January 2024. She has more than 5 years of experience as an advocate and market participant in the areas of environmental, social, and corporate governance (ESG), including new energy, environmental protection and low carbon. Ms. Tong was founding member of the China Carbon Neutral 50-person Forum* (中國碳中和50人論壇), and holds multiple senior positions at companies which focus on ESG and cultural investments. She is the chairman of Oriental Cultural and Creative Investment Co., Ltd.*, and Beijing Oriental Patek Investment Co., Ltd.*, as well as a managing partner of China Soft Capital Co Ltd*. Ms. TONG is also a known advocate for children's rights and welfare in the People's Republic of China, being a "Champion for Children" named by United Nations International Children's Emergency Fund (UNICEF).

Ms. Tong obtained her master's degree in Senior Management Business Administration from Guanghua School of Management of Peking University in 2005.

* For identification purposes only



Qiu Liping

Independent Non-executive Director

Mr. Qiu, aged 60, was appointed as an Independent Non-executive Director of the Manager on 20 November 2013. Mr. Qiu was a co-founder of Milestone Capital, a China-focused private equity investment company. Since February 2002, he has been the general partner of Milestone China Opportunities Fund I and Fund II, L.P., both being partnerships that invest primarily in high-growth Chinese companies. Mr. Qiu has been a director of Qinhuangdao Boostsolar Photovoltaic Equipment Co., Ltd. (which has been quoted on the National Equities Exchange and Quotations since 18 August 2014).

Mr. Qiu received his Bachelor's degree and Master's degree in Engineering from the National University of Defense Technology of China.



Lam Yiu Kin

Independent Non-executive Director

Mr. Lam, aged 70, was appointed as an Independent Non-executive Director of the Manager on 12 January 2015. Mr. Lam is a fellow member of the Association of Chartered Certified Accountants (ACCA), the Institute of Chartered Accountants in England & Wales (ICAEW), Chartered Accountants Australia and New Zealand (CA ANZ), and the Hong Kong Institute of Certified Public Accountants (HKICPA). Mr. Lam has extensive experience in accounting, auditing and business consulting.

Mr. Lam currently serves as an independent non-executive director of (i) Global Digital Creations Holdings Limited (Stock Code: 8271) since July 2015; (ii) Shougang Century Holdings Limited (formerly known as Shougang Concord Century Holdings Limited) (Stock Code: 0103) since August 2015; (iii) COSCO SHIPPING Ports Ltd. (Stock Code: 1199) since August 2015; (iv) Nine Dragons Paper (Holdings) Limited (Stock Code: 2689) since March 2016; (v) CITIC Telecom International Holdings Limited (Stock Code: 1883) since June 2017; and (vi) Topsports International Holdings Limited (Stock Code: 6110) since September 2019.

Mr. Lam ceased to act as an independent non-executive director of Mason Group Holdings Limited (formerly known as Mason Financial Holdings Limited) (Stock Code: 0273) with effect from 24 May 2017, Vital Innovations Holdings Limited (Stock Code: 6133) with effect from 31 October 2020, Bestway Global Holding Inc. (Stock Code: 3358 voluntarily withdrawn its listing in Hong Kong on 12 October 2021) with effect from 31 December 2021, Flydoo Technology Holdings Limited (formerly known as WWPKG Holdings Company Limited) (Stock Code: 8069) with effect from 2 August 2022 and Shanghai Fudan-Zhangjiang Bio-Pharmaceutical Co., Ltd. (Stock Code: 1349) with effect from 30 May 2023.

Mr. Lam was previously a member of the Listing Committee and the Financial Reporting Advisory Panel of the Stock Exchange of Hong Kong Limited from 1997 to 2003, a committee member of HKICPA from 1994 to 2009, a partner of PricewaterhouseCoopers Hong Kong from 1993 to 2013, and a member of the Finance Committee of the Hong Kong Management Association until July 2016. Mr. Lam graduated from The Hong Kong Polytechnic University with a higher diploma in 1975 and was conferred an Honorary Fellow in 2002.



Other positions held by each of the above Directors in the Manager are set out in the Corporate Governance Report under the section "Organizational and Reporting Structure of the Manager".

CORPORATE GOVERNANCE

OUR VISION

The Manager's vision is for Spring REIT to be a leading real estate investment trust, owning a well-managed portfolio of high-quality income-producing properties while positively impacting stakeholders in the communities where we operate.

OUR STRATEGY

The Manager's key objectives are to provide Unitholders with stable distributions and the potential for sustainable long-term growth in distributions and to enhance the value of its real estate assets. The Manager intends to accomplish these objectives through investing in high quality income-producing real estate assets primarily in Mainland China.

The main aspects of the Manager's strategy are as follows:

Asset Management Strategy

The Manager aims to maintain high occupancy rates and maximize property value by increasing tenant loyalty, providing professional services, and exploring marketing opportunities. The Manager works closely with property managers to develop proactive leasing strategies, implement asset enhancement initiatives and control expenses while maintaining quality services for tenants.

Acquisition Strategy

The Manager actively seeks opportunities to acquire income-generating properties that offer attractive returns and potential for long-term growth in distribution and enhancement in capital value. The Manager will evaluate acquisition opportunities based on returns, stability, risk diversification, and potential for long-term capital appreciation. From time to time, the Manager considers selling non-core assets to explore more appealing investment opportunities to enhance the portfolio.

Capital and Risk Management Strategy

The Manager adopts a prudent capital and risk management strategy with an aim to maximize returns and distributions to Unitholders while maintaining a sensible and balanced risk management framework. The capital structure is constantly monitored and optimized and an appropriate loan-to-value ratio is maintained within the REIT Code requirements. Internal control and risk management systems are regularly reviewed to ensure their effectiveness.

OUR VALUES AND CULTURE

The Manager is committed to developing an inclusive and sustainable culture that aligns with our vision, strategy, and values, and enables Spring REIT to deliver long-term sustainable performance and fulfil its role as a responsible corporate citizen.

The Manager believes in pursuit of excellence, and conducting business with high-level of professional integrity and collaboration among teams. Our actions should be accountable towards both the environment and stakeholders and our efforts during the year are exemplified by the various initiatives set out in the 2024 ESG Report.

CORPORATE GOVERNANCE

With the objective of establishing and maintaining high standards of corporate governance, certain policies and procedures have been put in place to promote the operation of Spring REIT in a transparent manner and with built-in checks and balances. The corporate governance policy of Spring REIT have been adopted with due regard to the requirements under Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"), with necessary changes, as if those rules were applicable to real estate investment trusts in Hong Kong.

The Manager was established for the sole purpose of managing Spring REIT. The Manager is committed to maintain good corporate governance culture, practices and procedures. The current corporate governance principles emphasize on accountability to all stakeholders, resolution of conflict of interest issues, transparency in reporting, and compliance with relevant procedures and guidelines. The Manager has adopted a compliance manual and certain internal policies, including corporate governance policy (the "**Corporate Governance Policy**"), for use in relation to the management and operation of Spring REIT, which sets out the key processes, systems and measures, and such policies to be applied for compliance with all applicable legislation and regulations. The Board plays a central supportive and supervisory role in the corporate governance duties. It regularly reviews the compliance manual and other policies and procedures on corporate governance and on legal and regulatory compliance, approving changes to governance policies in light of the latest statutory regime and international best practices and reviewing corporate governance disclosures. All Directors act with integrity, lead by example, and promote the desired culture which instils and continually reinforces across the organization values of acting lawfully, ethically and responsibly.

During the Reporting Year, both the Manager and Spring REIT have in material terms complied with the provisions of the compliance manual, the Corporate Governance Policy, the Trust Deed, the Code on Real Estate Investment Trusts (the "**REIT Code**") and applicable provisions of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "**SFO**") and the Listing Rules.

AUTHORIZATION STRUCTURE

Spring REIT is a collective investment scheme constituted as a unit trust and authorized by the Securities and Futures Commission (the "**SFC**") under section 104 of the SFO and regulated by the SFC pursuant to the applicable provisions of the SFO, the REIT Code and the Listing Rules. The Manager has been authorized by the SFC under section 116 of the SFO to conduct the regulated activities of asset management. As at the date of this report, Mr. Leung Kwok Hoe, Kevin (Executive Director and Chief Executive Officer of the Manager), Mr. Chung Wai Fai (Executive Director and Chief Financial Officer of the Manager), Mr. Chan Chun Tung and Mr. Wang Junsong are the responsible officers of the Manager (the "**RO**") pursuant to the requirements under section 125 of the SFO and Paragraph 5.4 of the REIT Code. The ROs have completed the Continuous Professional Trainings as required by the SFC for the Reporting Year. Mr. Leung Kwok Hoe, Kevin, Executive Director and Chief Executive Officer of the Manager, was approved by the SFC as an approved person of the Manager pursuant to sections 104(2) and 105(2) of the SFO. Ms. Bai Yanan was ceased as a RO with effect from 28 June 2024. Mr. Chan Chun Tung was appointed as a RO with effect from 10 April 2024 and Mr. Wang Junsong was appointed as a RO with effect from 3 December 2024.

DB Trustees (Hong Kong) Limited is registered as a trust company under section 77 of the Trustee Ordinance (Chapter 29 of the Laws of Hong Kong). The Trustee is qualified to act as a trustee for collective investment schemes authorized under the SFO pursuant to the REIT Code.

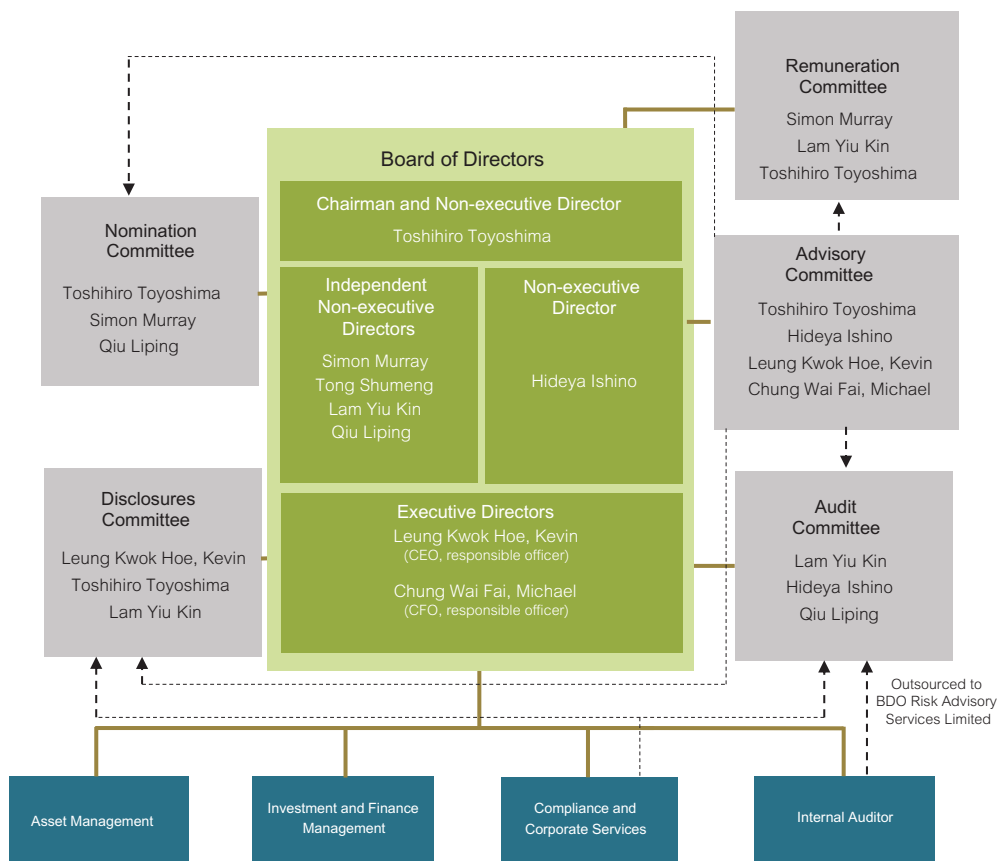
ROLES OF THE TRUSTEE AND THE MANAGER

The Trustee and the Manager are independent of each other. The Trustee is responsible for the safe custody of the assets of Spring REIT on behalf of the Unitholders and to oversee the activities of the Manager in accordance with and in compliance with the Trust Deed, and the regulatory requirements applicable to Spring REIT.

The Manager is responsible for managing Spring REIT and its assets in accordance with the Trust Deed and ensuring that Spring REIT's assets are managed in the sole interests of the Unitholders.

The relationship among the Trustee, the Manager and the Unitholders is set out in the Trust Deed, as may be amended and supplemented from time to time.

ORGANIZATIONAL AND REPORTING STRUCTURE OF THE MANAGER



THE BOARD AND DELEGATIONS

The Board principally oversees the day-to-day management and corporate governance of the Manager. The Board and management functions are largely separated; subject to certain matters specially reserved to the Board itself, the day-to-day management duties are delegated to the management team of the Manager. Meanwhile, various Board committees have been established with clear terms of reference, each of which is to assist the Board in supervising specific issues or functions of the Manager.

CORPORATE GOVERNANCE (continued)

THE BOARD

The Board currently comprises eight members, including two Executive Directors and six Non-executive Directors, of which four are Independent Non-executive Directors ("**Independent Non-executive Directors**"). The composition of the Board during the Reporting Year and up to the date of this annual report is set out below:

Non-executive Directors

Toshihiro Toyoshima (*Chairman*)
Hideya Ishino

Executive Directors

Leung Kwok Hoe, Kevin (*Chief Executive Officer*)
Chung Wai Fai (*Chief Financial Officer*)

Independent Non-executive Directors

Simon Murray
Tong Shumeng
Lam Yiu Kin
Qiu Liping

Biographical details of the above Directors are set out in the section headed "Board of Directors and Senior Management" above and published on Spring REIT's website at www.springreit.com.

BOARD RESPONSIBILITIES

The Board is responsible for ensuring that the Manager discharges its duties under the Trust Deed, which include but are not limited to:

- (i) managing Spring REIT in accordance with the Trust Deed in the sole interest of the Unitholders;
- (ii) ensuring sufficient oversight of the daily operations and financial conditions of Spring REIT when managing Spring REIT;
- (iii) ensuring compliance with the licensing and authorization conditions of the Manager and Spring REIT and with any applicable laws, rules, codes and/or guidelines issued by government departments, regulatory bodies, exchanges or any other organizations regarding the activities of Spring REIT or its administration; and
- (iv) reviewing and monitoring the training and continuous professional development of Directors, executive officers and senior management.

CORPORATE GOVERNANCE (continued)

During the Reporting Year, the Board has considered, reviewed and approved, inter alia, the following keys matters, relating to Spring REIT:

- (i) declaration of 2023 final results and 2024 interim results of Spring REIT, as well as 2023 final distribution and 2024 interim distribution of Spring REIT.
- (ii) proposed issuance of the subject 2024 Manager fee Units and application for whitewash waiver.
- (iii) amendments to Trust Deed and additional information to explanatory statement for buy-back mandate in respect of holding, resale or transfer of repurchased Units in treasury.
- (iv) renewal of certain continuing connected party transactions.
- (v) amendments to the risk management policy and Corporate Governance Policy.

The Board's function is largely separated from, and independent of, the executive management function. The Board leads and guides the Manager's corporate strategy and direction. Subject to the matters specifically reserved to the Board as set out in the Corporate Governance Policy, the Board delegates certain management and supervisory functions to relevant committees of the Board. For more details, please see the section headed "Key Reserved Matters to the Board" below.

BOARD COMPOSITION

With the aim of creating a board structure that is both effective and balanced, the size of the Board has been set to provide for a minimum of seven Directors and a maximum of nine Directors. Pursuant to the Corporate Governance Policy, Independent Non-executive Directors must be individuals who fulfil the independence criteria set out in the Corporate Governance Policy that are no less exacting than those set out in Rule 3.13 of the Listing Rules for assessing the independence of an independent non-executive director. During the Reporting Year, the Manager has received written annual confirmation from each Independent Non-executive Director of his/her independence pursuant to the "Criteria for Independence of Independent Non-executive Directors" as set out in the Corporate Governance Policy.

The composition of the Board is determined mainly in accordance with the following principles:

- (i) the Chairman of the Board should be a Non-executive Director;
- (ii) the Board should have a balance of skill, experience and diversity of perspectives appropriate to the requirements of Spring REIT's business, and should ensure that the Directors devote sufficient time and make contributions to Spring REIT that are commensurate with their role and board responsibilities. It should ensure that changes to its composition can be managed without undue disruption;
- (iii) the Board should have a balanced composition of Executive Directors, Non-executive Directors and Independent Non-executive Directors so that there is a strong independent element on the Board which can effectively exercise independent judgement;
- (iv) the Board should include Non-executive Directors of sufficient calibre and number for their views to carry weight; and
- (v) at least one-third, and a minimum of three members, of the Board should be Independent Non-executive Directors and at least one Independent Non-executive Director must have appropriate professional qualifications or accounting or related financial management expertise.

CORPORATE GOVERNANCE (continued)

The Board composition is being reviewed regularly to ensure that the Board has the appropriate mix of expertise and experience and that the Directors being appointed have the relevant expertise and experience in discharging their duties. Through serving on the Board committees, taking active participation and sharing of valuable impartial view on matters discussed at the Board and/or Board committees meetings and taking lead in managing issues involving potential conflict of interests, all Independent Non-executive Directors have provided the independent view to the Board and made various contributions to the effective direction of the Manager and Spring REIT Group. The Board and the Board committees may access the external professional consultants to obtain advice, where necessary, on the issues relevant to their duties set out in the Corporate Governance Policy. The Board shall review the implementation and effectiveness of independent view and input mechanism on annual basis.

There is no relationship (including financial, business, family or other material/relevant relationships) between Board members, in particular, between the Chairman and the Chief Executive Officer and Executive Director.

BOARD MEETINGS

The Board meets on a regular basis and generally no less than four times in each financial year at approximately quarterly intervals. According to the Corporate Governance Policy, Directors are given written notices of Board meetings at least fourteen days in advance of the regular meetings, with suitable arrangements in place to allow Directors to include new items in the agenda. Agenda and accompanying board papers are circulated at least three days before the scheduled date of a Board meeting. Board consents are given by votes at Board meetings and written resolutions are electronically signed by all Directors from time to time. The Board process is further facilitated by telephone conferences in cases where urgent discussions and decisions are required before the next regular Board meeting or where certain Director(s) is/are out of town.

No Board meeting, or any adjourned Board meeting, will be quorate unless a simple majority of Directors for the time being are present at the time when the relevant business is transacted. Pursuant to the articles of association of the Manager, a Director who, whether directly or indirectly, has an interest in a contract or proposed transaction, arrangement or contract with the Manager, which is of significance to the Manager's or Spring REIT's business, must declare the nature and extent of his/her interest either at the earliest Board meeting or by giving a general notice to the Directors before the question of entering into the transaction, arrangement or contract is taken into consideration on behalf of the Manager.

According to the Corporate Governance Policy, a Director who is prohibited from voting on any Board resolution approving any contract or arrangement or any other proposal in which he/she or any of his/her associates has a material interest (unless otherwise allowed by the articles of association of the Manager) or by reason of a conflict of interests is not counted as having voting authority and for the purpose of establishing the necessary quorum for the meeting.

Matters to be considered by the Board are to be adopted on the basis of a simple majority of votes.

During the Reporting Year, four regular meetings of the Board were held. Besides, there was one additional meeting of the Board held during the year.

CORPORATE GOVERNANCE (continued)

The attendance of individual Directors at such Board meetings during the Reporting Year was as follows:

Members of the Board	Number of meetings attended/ Number of meetings held during term of office within the Reporting Year	Attendance rate
Chairman and Non-executive Director		
Mr. Toshihiro Toyoshima	5/5	100%
Chief Executive Officer and Executive Director		
Mr. Leung Kwok Hoe, Kevin	5/5	100%
Chief Financial Officer and Executive Director		
Mr. Chung Wai Fai	5/5	100%
Non-executive Director		
Mr. Hideya Ishino	5/5	100%
Independent Non-executive Directors		
Mr. Simon Murray	4/5	80%
Mr. Lam Yiu Kin	5/5	100%
Mr. Qiu Liping	5/5	100%
Ms. Tong Shumeng	5/5	100%

DIRECTOR'S TRAINING

Each newly appointed Director will receive a package of orientation materials on the business and operations of Spring REIT and the legal framework under which Spring REIT is governed. The package includes but not limited to the REIT Code, Trust Deed and compliance manual, relevant internal policies and recent publications of Spring REIT. Senior executives of the Manager will also provide the Directors with the necessary information in the form of special reports. Also, additional information will always be provided to the Directors upon request.

To keep the Directors abreast of their responsibilities and infuse them with new knowledge relevant to the Group and Spring REIT's business and operating environment, the Manager arranges and provides continuous professional development training and relevant reading materials to Directors to ensure that they are apprised of the latest changes in the commercial, legal and regulatory environment in which Spring REIT conduct its business and to refresh their skills and knowledge on the roles, functions and duties of a Director. In addition, the attendance at external forums or briefing sessions (including delivery of speeches) on the relevant topics also counts towards continuous professional development training.

CORPORATE GOVERNANCE (continued)

Based on the training records provided to the Manager by the Directors, the Directors have participated in the following training during the Reporting Year:

Members of the Board	Types of Training
Chairman and Non-executive Director	
Mr. Toshihiro Toyoshima	A, B
Chief Executive Officer and Executive Director	
Mr. Leung Kwok Hoe, Kevin	A, B
Chief Financial Officer and Executive Director	
Mr. Chung Wai Fai	A, B
Non-executive Director	
Mr. Hideya Ishino	A, B
Independent Non-executive Directors	
Mr. Simon Murray	A, B
Mr. Lam Yiu Kin	A, B, C
Mr. Qiu Liping	A, B
Ms. Tong Shumeng	A, B

A: Attended corporate events and/or Board visits and/or executive briefings relevant to Spring REIT's business.

B: Read materials or attended briefings and/or seminars and/or conferences relevant to regulatory and governance updates.

C: Attended continuing professional development modules required by Hong Kong Institute of Certified Public Accountants.

DIRECTORS' SERVICE CONTRACTS

There is no service contract, which is not terminable by the Manager within one year without payment of compensation (other than statutory compensation) in respect of those Directors who are due to retire and offer for re-election at the forthcoming annual general meeting of the Manager.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Save as disclosed under the "Connected Party Transactions" section on pages 111 to 119 of this report and in Note 25 to the consolidated financial statements of Spring REIT, no transactions, arrangements or contracts of significance subsisted during or at the end of the Reporting Year in which a Director or any entity connected with a Director is or was materially interested, whether directly or indirectly.

CORPORATE GOVERNANCE (continued)

KEY RESERVED MATTERS TO THE BOARD

To maintain appropriate checks and balances on management actions, certain matters which have a critical bearing on Spring REIT are specifically reserved for consideration by the full Board. These mainly include:

- (i) approval of interim, final and special (if any) distributions, interim and annual reports, audited financial statements and unaudited interim financial information and circulars to Unitholders;
- (ii) recommendation to Unitholders on any change of the provisions of the Trust Deed;
- (iii) approval of acquisition and/or disposition of properties;
- (iv) approval of appointment of new Director to the Manager or proposal for appointment and removal of any Director by the Board;
- (v) issue of new Units of Spring REIT;
- (vi) resale or transfer of treasury Units of Spring REIT;
- (vii) approval of any matter which would have a material effect on Spring REIT's financial position, liabilities, future strategy or reputation; and
- (viii) delegation of powers and authority to various Board committees.

INSURANCE

During the Reporting Year, appropriate Directors' and officers' liabilities insurance has been arranged in respect of any legal action against the Directors and officers of the Manager to Spring REIT.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER OF THE MANAGER

The positions of Chairman (Mr. Toshihiro Toyoshima, who is a Non-executive Director) and Chief Executive Officer (Mr. Leung Kwok Hoe, Kevin who is an Executive Director) are held by separate persons in order to maintain an effective segregation of duties. The Chairman is mainly responsible for the overall leadership of the Board and for ensuring that the Board functions effectively and acts in the best interests of the Unitholders. He leads Board discussions and deliberations and is also responsible for setting the meeting agenda of Board meetings. He ensures that Board meetings are held when necessary. He promotes high standards of corporate governance and maintains effective communications with Unitholders. The Chief Executive Officer together with an Executive Director are responsible for the day-to-day operations and management of the Manager and Spring REIT and supervises the Manager's management team to ensure that Spring REIT is operated in accordance with the stated strategy, policies and regulations. Each of the Chief Executive Officer and the Executive Director executes the strategic plans set out by the Board and ensures that the Directors are kept updated and informed of Spring REIT's business via management reports.

APPOINTMENT, RE-ELECTION AND REMOVAL OF DIRECTORS

The appointment, re-election and removal of Directors (including ROs) is a matter for the Board and the shareholders of the Manager to determine in accordance with the Corporate Governance Policy, the articles of association of the Manager and the applicable laws (if applicable). As the Manager is licensed by the SFC under Part V of the SFO, the appointment and removal of any of the Executive Directors and the Non-executive Directors (including the Independent Non-executive Directors) and the removal of a RO must be notified to the SFC and the appointment of a RO requires the prior approval of the SFC.

All the Independent Non-executive Directors were appointed on 20 November 2013 (except Mr. Lam Yiu Kin who was appointed on 12 January 2015 and Ms. Tong Shumeng who was appointed on 1 January 2024) for an initial term of three years and renewable automatically for successive terms of one year each commencing from the day next after the expiry of the then current term of appointment, unless and until terminated by not less than three months' notice in writing served by either party.

Further, the Board noted that Mr. Lam Yiu Kin holds directorship in seven (7) listed companies (including the Manager). The Board is of the view that Mr. Lam is able to devote sufficient time in acting as an Independent Non-executive Director as (i) he is not preoccupied with any full-time work and as an independent non-executive director of the other listed companies, he is not required to have full-time involvement in the affairs of, or participate in day-to-day operations of, those listed companies; (ii) equipped with extensive experience and in-depth knowledge, particularly on corporate governance matters, acquired and developed from his background and past offices (including his directorship in other listed companies), he is fully aware of the responsibilities and expected time involvement as an independent non-executive director; (iii) he attended all Board meetings, audit committee meetings, remuneration committee meetings, disclosures committee meetings, the independent board committee meeting (if any) and the annual general meeting of the Manager as well as the annual general meeting and extraordinary general meeting of Spring REIT held in 2024 and provided professional and valuable advice on the financial and operational aspects of both the Company and Spring REIT; and (iv) he has confirmed to the Manager that he is able to discharge, and will continue to devote sufficient time to discharging, his duties as an Independent Non-executive Director.

All Directors for the time being shall retire from office at the annual general meeting of the Manager every year, and shall be eligible for re-election. All Directors were re-elected at the annual general meeting of the Manager held in 2024.

If any Independent Non-executive Director has served on the Board for nine years, his or her re-election and further appointment should be subject to a separate resolution to be approved by Unitholders of Spring REIT. The papers distributed to the Unitholders in respect of that resolution should include the reasons why the Board believes that he or she is still independent and should be re-elected. Where the Manager believes an Independent Non-executive Director who has served for over nine years should be re-elected, the Manager will seek Unitholders' approval for the further appointment as soon as possible and as a matter of best practice generally no later than the annual general meeting of Spring REIT immediately following the ninth anniversary of the Independent Non-executive Director's appointment.

DISCLOSURE ON INDEPENDENT NON-EXECUTIVE DIRECTOR REMUNERATION ARRANGEMENT

Pursuant to the announcement of the Manager dated 24 October 2014 (the “**Independent Non-executive Director Remuneration Announcement**”), the Manager has adopted an arrangement for the remuneration of its Independent Non-executive Directors, which would be paid out of the Manager’s own assets, under which each of the Independent Non-executive Directors of the Manager may elect the percentage of his/her remuneration to be made in the form of Units to be transferred from the Manager (the “**INED Remuneration Arrangement**”). As stated in the Independent Non-executive Director Remuneration Announcement, the Manager is required to disclose the following information in the interim report and annual report of Spring REIT:

Name of Independent Non-executive Director of the Manager	Remuneration for the Reporting Year ⁽ⁱ⁾ (HK\$)	Election for percentage of remuneration to be paid in form of Units during the Reporting Year	Number of Units paid as remuneration during the Reporting Year ⁽ⁱⁱ⁾
Mr. Simon Murray	434,700	100%	222,000
Mr. Qiu Liping	434,700	100%	222,000
Mr. Lam Yiu Kin	472,500	100%	242,000
Ms. Tong Shumeng	434,700	0%	0

Notes:

- (i) The remunerations were determined after arm’s length negotiation between each Independent Non-executive Director and the Manager, with reference to market conditions as well as experience and qualifications of each Independent Non-executive Director.
- (ii) For each Independent Non-executive Director’s current beneficial interests in Units of Spring REIT and the change (if any) in their respective beneficial interests in Units of Spring REIT during the Reporting Year, please see the section headed “Disclosure of Interests” in this report.

BOARD COMMITTEES

The Board has the power to delegate to committees consisting of such numbers of its body as it thinks fit. Various committees have been established to assist the Board in discharging its responsibilities. The committees of the Board have been set up with clear terms of reference to review specific issues or items and then to submit their findings and recommendations to the full Board for consideration and endorsement. Unless the decision making power has been vested in the relevant committee by the Board, the ultimate responsibility for making final decisions rests with the full Board and not the committees.

CORPORATE GOVERNANCE (continued)

The committees of the Board are currently as follows:

Audit Committee

The members of the Audit Committee of the Manager are appointed by the Board from among the Non-executive Directors only. Majority of the members of the Audit Committee shall be Independent Non-executive Directors and at least one Independent Non-executive Director has appropriate professional qualification or accounting or related financial management expertise. As at the date of this report, the Audit Committee is chaired by an Independent Non-executive Director, namely Mr. Lam Yiu Kin. The other members of the Audit Committee are Mr. Hideya Ishino (a Non-executive Director) and Mr. Qiu Liping (an Independent Non-executive Director).

The Audit Committee is responsible for establishing and maintaining an adequate internal control structure, effective financial reporting and risk management systems and ensuring the quality and integrity of financial statements. The Audit Committee is also responsible for the nomination of independent external auditors and reviewing the adequacy of external audits in respect of cost, scope and performance. The Audit Committee also ensures the existence and working of effective systems of internal control and risk management, in respect of both the Manager and Spring REIT.

The responsibilities of the Audit Committee also include:

- (i) reviewing transactions of Units of Spring REIT by the Manager and the Directors on a half-yearly basis;
- (ii) reviewing all financial statements and all external audit reports and developing and implementing a policy on the engagement of external auditors to provide non-audit services;
- (iii) ensuring the internal audit functions are adequately resourced and guiding the management to take appropriate actions to remedy any faults or deficiencies in internal controls which may be identified;
- (iv) assisting the Board in monitoring the overall risk management profile of the entities and setting guidelines and policies for risk assessment and risk management;
- (v) periodically reviewing and monitoring all connected party transactions and related party transactions;
- (vi) reviewing the Manager and Spring REIT's compliance with legal and regulatory requirements on a regular basis; and
- (vii) reviewing and approving the annual internal audit plan and reviewing the internal audit reports and activities.

During the Reporting Year, four regular meetings of the Audit Committee were held.

CORPORATE GOVERNANCE (continued)

The attendance of individual members at such Audit Committee meetings is as follows:

Members of the Audit Committee	Number of meetings attended/ Number of meetings held during term of office within the Reporting Year	Attendance rate
Mr. Lam Yiu Kin (Chairman)	4/4	100%
Mr. Hideya Ishino	4/4	100%
Mr. Qiu Liping	4/4	100%

The following is a summary of the major work performed by the Audit Committee during the Reporting Year:

- (i) reviewed the audited financial statements, the final results announcement and annual report of Spring REIT for the year ended 31 December 2023.
- (ii) reviewed the unaudited financial statements, the interim results announcement and interim report of Spring REIT for the six months period ended 30 June 2024.
- (iii) reviewed the internal control system of Spring REIT, with reference to the internal control report of Spring REIT prepared by the internal auditor, and the effectiveness of Spring REIT's internal audit function.
- (iv) considered and recommended to the Board on the re-appointment of external auditor of Spring REIT and approved the terms of engagement.
- (v) reviewed the legal and regulatory compliance matters for the year ended 31 December 2023 and for the six months period ended 30 June 2024 which included, among others, the connected party transactions and continuing connected party transactions of Spring REIT.
- (vi) reviewed the risk update and risk management system.
- (vii) considered and recommended to the Board on the 2025 annual budget of Spring REIT.

Promotional Expenses

Pursuant to the waiver granted by the SFC on 21 November 2013 from strict compliance with the requirements under Paragraph 9.13(b) of the REIT Code, certain expenses relating to marketing, promotion, advertising, roadshows, press conferences, luncheons, presentations, and other public relations-related fees (collectively “**Promotional Expenses**”) are allowed to be paid out of the deposited property (as defined in the Trust Deed) of Spring REIT.

During the Reporting Year, the Promotional Expenses incurred amounted to RMB0.60 million. Pursuant to the conditions of the above-mentioned waiver and having reviewed the supporting evidences as it may reasonably deem necessary, the Audit Committee has confirmed that such Promotional Expenses were incurred (i) in accordance with the internal control procedures of the Manager; and (ii) the nature of these Promotional Expenses was solely for the purposes as set out in the relevant clauses of the Trust Deed.

Disclosures Committee

The members of the Disclosures Committee of the Manager are appointed by the Board from among the Directors. The Disclosures Committee consists of three Directors, one of whom should at all times be an Independent Non-executive Director. The functions of the Disclosures Committee include reviewing matters relating to the disclosure of information to Unitholders and public announcements. The Disclosures Committee also works with the management of the Manager to ensure the information disclosed is accurate, complete and not misleading. As at the date of this report, the members of the Disclosures Committee are Mr. Leung Kwok Hoe, Kevin (an Executive Director and the Chief Executive Officer), Mr. Toshihiro Toyoshima (a Non-executive Director) and Mr. Lam Yiu Kin (an Independent Non-executive Director). Mr. Leung Kwok Hoe, Kevin has been appointed as the chairman of the Disclosures Committee.

The Disclosures Committee’s responsibilities mainly include:

- (i) reviewing and making recommendations to the Board on matters of corporate disclosure issues and announcements regarding (without limitation) financial reporting, connected party transactions and potential areas of conflict of interests;
- (ii) overseeing compliance with applicable legal requirements and the continuity, accuracy, clarity, completeness and currency of information disseminated by or on behalf of Spring REIT to the public and applicable regulatory agencies;
- (iii) reviewing and approving all material non-public information and all public regulatory filings of or on behalf of Spring REIT prior to such information being disseminated to the public or filed with applicable regulatory agencies;
- (iv) reviewing periodic and current reports, proxy statements, information statements, registration statements and any other information filed with regulatory bodies;
- (v) reviewing press releases containing financial information, information about material acquisitions or dispositions or other information material to Unitholders;
- (vi) reviewing correspondence containing financial information disseminated to Unitholders; and
- (vii) selecting, appointing, directing and terminating, where appropriate, external experts (such as legal advisors or accountants) as the Disclosures Committee deems necessary in the performance of its duties.

CORPORATE GOVERNANCE (continued)

During the Reporting Year, two regular meetings of the Disclosures Committee were held.

The attendance of individual members at such Disclosures Committee meetings is as follows:

Members of the Disclosures Committee	Number of meetings attended/ Number of meetings held during term of office within the Reporting Year	Attendance Rate
Mr. Leung Kwok Hoe, Kevin (Chairman)	2/2	100%
Mr. Toshihiro Toyoshima	2/2	100%
Mr. Lam Yiu Kin	2/2	100%

The following is a summary of the major work performed by the Disclosures Committee during the Reporting Year:

- (i) reviewed and recommended to the Board on the disclosure of the draft documents of Spring REIT, namely, announcement of date of Board meeting, final results announcement and 2023 final distribution, annual report for the year ended 31 December 2023, 2023 ESG report and announcements relating to the payment of Manager's fees in cash and in Units.
- (ii) reviewed and recommended to the Board on the disclosure of the draft documents of Spring REIT, namely, announcement of date of Board meeting, interim results announcement and 2024 interim distribution and interim report for the six months period ended 30 June 2024.
- (iii) reviewed and recommended to the Board on the draft documents of Spring REIT, namely, circular to Unitholders relating to buy-back of Units, notice convening the annual general meeting of Spring REIT, relevant proxy form and announcement of poll results of annual general meeting of Spring REIT.
- (iv) reviewed and recommended to the Board on the draft announcements of Spring REIT in relation to unaudited operating statistics for the three months periods ended 31 December 2023, 31 March 2024, 30 June 2024 and 30 September 2024.
- (v) reviewed and recommended to the Board on the draft announcement of Spring REIT for the 2025 election of Manager's fees.
- (vi) reviewed and recommended to the Board on the draft documents of Spring REIT, namely, circular to Unitholders in relation to the issuance of the subject 2024 Manager fee Units and application for whitewash waiver, notice convening the extraordinary general meeting of Spring REIT, relevant proxy form, announcement in relation to dispatch of circular to issuance of the subject 2024 Manager fee Units and application for whitewash waiver and announcement of poll results of extraordinary general meeting of Spring REIT.

CORPORATE GOVERNANCE (continued)

- (vii) reviewed and recommended to the Board on the draft announcement of Spring REIT in relation to amendments to trust deed and additional information to explanatory statement for buy-back mandate.
- (viii) reviewed and recommended to the Board on the draft announcement of Spring REIT for renewal of certain continuing connected party transactions.
- (ix) reviewed and recommended to the Board notification letters and request/reply form for all corporate communications of Spring REIT.

Remuneration Committee

The members of the Remuneration Committee of the Manager are appointed by the Board from among the Directors. A majority of the members of the Remuneration Committee shall at all times be Independent Non-executive Directors. The chairman of the Remuneration Committee shall at all times be an Independent Non-executive Director. As at the date of this report, the members of the Remuneration Committee are Mr. Simon Murray, Mr. Lam Yiu Kin (each of whom is an Independent Non-executive Director) and Mr. Toshihiro Toyoshima (a Non-executive Director). Mr. Simon Murray has been appointed as the chairman of the Remuneration Committee.

The Remuneration Committee is responsible for reviewing the terms and conditions of employment of all Directors and all senior staff of the Manager (other than the members of Remuneration Committee, whose remuneration is determined by the Board), monitoring and overseeing the implementation of INED Remuneration Arrangement, and recommending an appropriate manpower deployment plan (including the succession plan for the management of the Manager and the Board), remuneration and retirement policies and packages. The Remuneration Committee also ensures that no Director is involved in deciding his/her own remuneration.

During the Reporting Year, one meeting of the Remuneration Committee was held.

The attendance of individual members at such Remuneration Committee meeting is as follows:

Members of the Remuneration Committee	Number of meetings attended/ Number of meeting held during term of office within the Reporting Year	Attendance rate
Mr. Simon Murray (Chairman)	0/1	0%
Mr. Toshihiro Toyoshima	1/1	100%
Mr. Lam Yiu Kin	1/1	100%

During the Reporting Year, the Remuneration Committee reviewed remuneration of senior staff and Directors and directors' fee of all Directors including Non-executive Directors and Independent Non-executive Directors.

CORPORATE GOVERNANCE (continued)

Nomination Committee

The members of the Nomination Committee of the Manager are appointed by the Board from among the Directors. A majority of the members of the Nomination Committee shall at all times be Independent Non-executive Directors. The chairman of the Nomination Committee shall at all times be an Independent Non-executive Director or the Chairman of the Board. As at the date of this report, the members of the Nomination Committee are Mr. Toshihiro Toyoshima (a Non-executive Director and Chairman of the Board), Mr. Simon Murray and Mr. Qiu Liping (each of whom is an Independent Non-executive Director). Mr. Toshihiro Toyoshima has been appointed as the chairman of the Nomination Committee.

The Nomination Committee is responsible for reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board and its committee on an on-going basis at least annually and nominating persons for appointment, re-appointment or removal of Directors, and succession planning for Directors, and providing recommendations thereon.

During the Reporting Year, one meeting of the Nomination Committee was held.

The attendance of individual members of such Nomination Committee meeting is as follows:

Members of the Nomination Committee	Number of meetings attended/ Number of meeting held during the term of office within the Reporting Year	Attendance rate
Mr. Toshihiro Toyoshima (Chairman)	1/1	100%
Mr. Simon Murray	0/1	0%
Mr. Qiu Liping	1/1	100%

During the Reporting Year, the Nomination Committee reviewed the structure, size, composition and diversity of the Board; reviewed Board diversity policy and nomination policy; assessed the independence of the Independent Non-executive Directors; reviewed the matters of retirement and re-election of Directors.

Board Diversity Policy Summary

The Manager recognizes and embraces the benefits of having a diverse Board to enhance the quality of its performance. The Manager has established a Board Diversity Policy. The policy with a view to achieving a sustainable and balanced development, the Manager sees increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. In designing the Board's composition, Board diversity has been considered from a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board. The Nomination Committee will review this policy including measurable objectives thereto (if any) at least annually, and as appropriate, to ensure the effectiveness of this policy. The Nomination Committee will discuss any revisions that may be required, and recommend any such revisions to the Board for consideration and approval.

CORPORATE GOVERNANCE (continued)

Workforce diversity

Spring REIT is managed by the Manager and does not employ any staff itself.

Existing gender diversity in the Manager, the Property Manager and the Building Manager's workforce is considered to be well-balanced and the Manager anticipates this diverse workforce will be maintained going forward. Please refer to page 51 for details.

Nomination Policy Summary

During the Reporting Year, the Manager has adopted a Nomination Policy for the Nomination Committee which was approved by the Board in December 2018. In summary, the approved Nomination Policy lists out the key criteria in evaluating and selecting candidates for directorship nomination, including but not limited to: character and personality, professional qualifications, experience, time commitment to Spring REIT affairs, achieving diversity on the Board, independence, etc.; as well as the process and procedures for considering candidates for appointment or re-election as Directors so as to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of managing Spring REIT.

Advisory Committee

The members of the Advisory Committee of the Manager are appointed by the Board from among the Directors. As at the date of this report, the members of the Advisory Committee are Mr. Leung Kwok Hoe, Kevin, Mr. Chung Wai Fai (each of whom is an Executive Director), Mr. Toshihiro Toyoshima and Mr. Hideya Ishino (each of whom is a Non-executive Director). Mr. Toshihiro Toyoshima has been appointed as the chairman of the Advisory Committee. The functions of the Advisory Committee include comprehensively reviewing the management services provided by the Manager to Spring REIT, the financial performance of the Manager and Spring REIT, investor relations with respect to Spring REIT and potential acquisition and disposal opportunities, as well as supervising the performance of service providers to the Manager and Spring REIT (including the performance of the property manager and the building manager). The Advisory Committee presents information to the Board from time to time between Board meetings as advisable and ensures the smooth co-ordination between the various committees established by the Board. Where appropriate, the Advisory Committee can recommend to the Chairman that a Board meeting shall be convened to discuss any affairs of Spring REIT. Meetings of the Advisory Committee are being held monthly (or more frequently if required) to review management issues of Spring REIT and to make recommendations to the Board.

COMPANY SECRETARY

The Manager has engaged Fair Wind Secretarial Services Limited, an external secretarial services provider, as the company secretary of the Manager (the "**Company Secretary**"). The primary contact person with the Company Secretary of the Manager is Mr. Chung Wai Fai, an Executive Director of the Manager. The Company Secretary comprises a team of qualified company secretarial professionals who provide a full range of company secretarial support to the Manager and its Directors. Senior management of the Manager maintains regular contact with the Company Secretary to ensure the latter has knowledge of the affairs of Spring REIT. All Directors have access to the advice and services of the Company Secretary to ensure that the Board procedures and all applicable law, rules and regulations are followed.

INTERNAL AUDITOR

The internal audit function of the Manager has been outsourced to BDO Risk Advisory Services Limited, an independent third party, and has been carried out in accordance with the instructions of the Manager. The internal auditor (the “**Internal Auditor**”) has been engaged to perform an independent assessment of Spring REIT’s and the Manager’s internal control systems.

The Internal Auditor reports directly to the Audit Committee on audit matters, and to the Board on administrative matters.

The functions of Internal Auditor include:

- (i) reviewing the accuracy and completeness of records of all operations and transactions of Spring REIT and ensuring that the Manager’s internal control system functions properly;
- (ii) identifying contingency events and escalating them to the appropriate level within the Manager; and
- (iii) reviewing and making recommendations to the Board or the Audit Committee (as the case may be) to ensure effective segregation of duties and operation functions of the Manager and effectiveness and accuracy of reporting of any irregularity and infringement of the Manager’s operational and compliance procedures.

During the Reporting Year, the Internal Auditor has conducted a risk-based review of the policies and procedures to ensure they have been operated as expected. Based on the results of the internal audit review for the Reporting Year and the assessment of the Audit Committee thereon, the Board considers that the internal control system is effective and adequate. No significant irregularity or deficiency in internal controls that may affect Unitholder’s investment and Spring REIT’s assets was identified.

A separate discussion on Risk Management and Internal Control is set out on page 107 of this annual report.

EXTERNAL AUDITOR

The Group’s external auditor is PricewaterhouseCoopers (“**PwC**”). The responsibilities of the external auditor with respect to the financial reporting are set out in the Independent Auditor’s Report on page 164 of this annual report. PwC has confirmed to the Audit Committee that they are independent with respect to acting as an external auditor to Spring REIT. PwC has been re-appointed for performing the audit for the financial year ending 31 December 2025.

During the Reporting Year, the fees paid/payable to PwC relating to audit and other non-audit services are set out as follows:

Services rendered	Fees paid/ payable RMB’000
— Audit services	2,105
— Other assurance service	662
— Other non-assurance services	346

CORPORATE GOVERNANCE (continued)

RISK MANAGEMENT

The Board meets quarterly or more often if necessary to review the financial performance of Spring REIT and the Manager against a previously approved budget. The Board also reviews any risks, including, amongst others, material risks in relation to ESG, associated with the management and performance of Spring REIT from time to time, and examines the liability management and acts upon any advices or comments from internal and external auditors, where appropriate. In assessing any business risk, the Board considers both the economic and environmental aspects and risks related to the property market. In respect of risk management, mitigating strategies are formulated by the management team of the Manager to combat with identified risks, including amongst others, ESG risks and climate-related risks and are overseen by the Board on an on-going basis.

The Manager has put in place procedures to ensure well defined and accessible channels to report on suspected fraud, corruption, dishonest practices and for carrying out independent investigation of any reported case and for appropriate follow-up actions to be taken. The aim of the whistle-blowing policy is to encourage the reporting of such matters in good faith with confidence that persons making such reports will be treated fairly and, to the extent possible, protected from reprisal.

The Manager has adopted anti-bribery and anti-corruption policy that all staff members of the Manager are strictly prohibited from soliciting, accepting or offering any bribe when conducting business affairs.

During the Reporting Year, the Board has reviewed the key risks identified through the Audit Committee and is generally satisfied with the effectiveness of the Group's risk management system.

A separate discussion on Risk Management and Internal Control is set out on page 107 of this annual report.

CONFLICTS OF INTEREST AND BUSINESS COMPETITIONS WITH MERCURIA GROUP

Mercuria Holdings Co., Ltd. ("**Mercuria Holdings**") may exercise influence over the affairs of Spring REIT through its control over Mercuria Investment Co., Ltd. ("**Mercuria Investment**") and RCA Fund 01, L.P. ("**RCA Fund**"). RCA Fund, which is managed by Mercuria Investment pursuant to a management agreement between Mercuria Investment and RCA Fund (acting through its general partner, RCAC), held 23.08% interest in the Units of Spring REIT as at 31 December 2024. Mercuria Investment can therefore exercise influence on RCA Fund and its exercise of rights as a Unitholder in respect of the affairs of Spring REIT (in particular, in relation to matters that are subject to voting by the Unitholders, on which RCA Fund is not required to abstain from voting), including in relation to the approval of significant corporate transactions, such as acquisitions and disposals. Together with the Units held by its subsidiary, Mercuria Holdings held in aggregate 28.23% interests in the Units of Spring REIT as at 31 December 2024.

Listed on Tokyo Stock Exchange in July 2021, Mercuria Holdings is principally engaged in investing in companies and projects in growth sectors in Japan, China and other Asian countries and regions with selective investments in the property market. There may be circumstances where Spring REIT will have to compete directly with Mercuria Holdings and/or its subsidiaries or associates for acquisitions or disposals of properties as well as for tenants within the Asian or global markets. There can be no assurance that conflicts of interest will not arise between Spring REIT and Mercuria Investment in the future.

Mercuria Investment is a fellow subsidiary of the Manager in which both company is a subsidiary of Mercuria Holdings (collectively "**Mercuria Group**").

CORPORATE GOVERNANCE (continued)

Accordingly, Mercuria Holdings may also exercise influence over the affairs of Spring REIT through its wholly-owned subsidiary, Mercuria Investment and a non-wholly owned subsidiary, the Manager (as at 31 December 2024, issued shares of the Manager is owned by Mercuria Holdings as to 80.4% and some of the Non-executive Directors of the Manager were and still are directors and/or senior executives of Mercuria Holdings) which has received and will continue to receive cash of Spring REIT by virtue of all or part of its entitlement to the fees for asset management services rendered to Spring REIT.

All conflicts of interest are managed by the Board in accordance with the articles of association of the Manager, the compliance manual, the Corporate Governance Policy and other relevant policies and guidelines issued for and adopted by Spring REIT. The Manager has also established various procedures to deal with potential conflicts of interest, including but not limited to:

- (i) unless with the approval of the SFC, the Manager will not manage any real estate investment trust other than Spring REIT nor manage other real estate assets other than those in which Spring REIT has an ownership interest or investment;
- (ii) the Manager will ensure that it will be able to function independently from its shareholders, and all executive officers are employed by the Manager on a full-time basis and are dedicated to the operations of Spring REIT;
- (iii) the Manager has also appointed Independent Non-executive Directors and set up an Audit Committee to provide independent checks on the performance of the Executive Directors/officers and ensure that the Executive Directors/officers manage and operate Spring REIT independently from Mercuria Group;
- (iv) the Manager has established procedures in the Conflicts of Interest Policy to deal with conflicts of interest;
- (v) the Manager has established an internal control system to ensure that connected party transactions between Spring REIT and its connected persons are monitored and undertaken according to procedures and/or on terms in compliance with the REIT Code (or where applicable, in compliance with the waiver conditions imposed by the SFC) and that other potential conflicts of interest that may arise are monitored;
- (vi) all conflicts of interest involving a substantial Unitholder or a Director will be required to be managed by a physical Board meeting rather than a written resolution and all Independent Non-executive Directors who, and whose associates, have no material interest in the matter should be present at such Board meeting; and
- (vii) where a Director has material interests, whether direct or indirect, in a matter which is the subject of a resolution proposed at a Board meeting of the Manager, such interested Director is expected to disclose his interest to the Board and shall abstain from voting on the resolution concerned.

CONFLICTS OF INTEREST AND BUSINESS COMPETITIONS WITH THE BEIJING PROPERTY MANAGER

Under the Property Management Agreement entered into between RCA01 (a special purpose vehicle of Spring REIT) and Beijing Hua-re Real Estate Consultancy Co., Ltd., (the **"Beijing Property Manager"**), the Beijing Property Manager provides lease management services, building management services and cash management services for the Beijing CCP Property on an exclusive basis subject to the overall management and supervision of the Manager. The Beijing Property Manager is currently 40% owned by Mercuria Investment and 60% owned by third parties. If the Beijing Property Manager were to manage also any other property which competes with the Beijing CCP Property, there may be potential conflicts of interest between Spring REIT and the Beijing Property Manager in respect of the performance of property management services in relation to the Beijing CCP Property and such other property.

To eliminate the likelihood of any potential future conflicts of interest, the Beijing Property Manager has a team of operational staff dedicated exclusively to provide property management services including lease management services to the Beijing CCP Property. Besides, the Beijing Property Manager has delegated to Beijing Huamao Property Management Co., Ltd. (北京華貿物業顧問有限公司), responsible for the maintenance, repair and upkeep of common areas, common facilities and public structures, operation of the building services systems and maintenance of building security. With respect to property management services, the Manager does not anticipate any significant likelihood of conflicts of interest arising between Spring REIT and the Beijing Property Manager.

REPORTING AND TRANSPARENCY

Spring REIT prepares its financial statements in accordance with International Financial Reporting Standards with financial year ending on 31 December of each year and financial half-year ending on 30 June of each year. In accordance with the REIT Code, the annual reports and semi-annual reports for Spring REIT are published and sent to Unitholders and filed with the SFC no later than four months following each financial year-end and no later than three months following each financial half-year end respectively. In addition, Spring REIT also voluntarily publishes announcements for unaudited operating statistics, such as occupancy levels and passing rents of the properties on a quarterly basis.

As required by the REIT Code, the Manager will ensure that public announcements of material information and developments with respect to Spring REIT are made in a timely and transparent manner in order to enable Unitholders to appraise the position of Spring REIT.

DIRECTORS' RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for the preparation of consolidated financial statements of Spring REIT, ensuring they give a true and fair view in accordance with International Financial Reporting Standards and comply with the relevant provisions of the Trust Deed and the relevant disclosure requirements set out in Appendix C to the REIT Code.

ISSUES OF FURTHER UNITS

To minimize the possible material dilution of holdings of Unitholders, any further issue of Units will need to comply with the pre-emption provisions contained in the REIT Code, the Trust Deed and any other applicable laws and regulations. Such provisions require that further issues of Units be first offered on a pro-rata basis to existing Unitholders, except that Units may be issued or agreed (conditionally or unconditionally) to be issued, (whether directly or pursuant to any Convertible Instruments (as defined in the Trust Deed)) otherwise than on a pro-rata basis to all existing Unitholders and without the approval of Unitholders if the aggregate number of new Units issued during any financial year does not increase the total number of Units in issue at the end of the previous financial year by more than 20% subject to conditions as more specifically set out in the Trust Deed.

In circumstances where pre-emption rights apply, only to the extent that the Units offered are not taken up by such holders may they be allotted to or issued to other persons or otherwise than pro-rata to their existing holdings.

Any issue, grant or offer of Units or Convertible Instruments to a connected person of Spring REIT will require specific prior approval of Unitholders by way of an ordinary resolution in respect of which the connected person shall be prohibited from voting or being counted in the quorum for the meeting of the Unitholders, unless such issue, grant or offer is made under certain circumstances (where, for the avoidance of doubt, no Unitholders' approval will be required) including:

- (i) the connected person of Spring REIT receives a pro-rata entitlement to Units and/or Convertible Instruments in his/her/its capacity as a Unitholder; or
- (ii) Units are issued to a connected person of Spring REIT under clauses 11.1.1 and 11.1.2 of the Trust Deed in settlement of the Manager's fees; or
- (iii) Units are issued to a connected person of Spring REIT pursuant to distribution reinvestment arrangements in accordance with clause 20.9 of the Trust Deed.

Where the issuance of Units would give rise to a conflict of interest on the part of the Manager or its connected persons, the Manager and its connected persons shall abstain from voting in relation to any such issuance of Units.

NEW ISSUE OF UNITS

During the Reporting Year, an aggregate of 21,521,015 new Units were issued to the Manager as payment of part of the Manager's fee. Please refer to the announcements dated 25 March 2024, 30 April 2024, 16 August 2024 and 31 October 2024 for more details.

During the Reporting Year, the Manager (on behalf of Spring REIT) bought back a total of 2,574,000 Units and all the Units bought back were cancelled prior to the financial year end. Please refer to the section headed "Purchase, Sale or Redemption of Units" for details.

The total number of Units in issue as at 31 December 2024 was 1,459,041,125 Units.

ISSUANCE OF SUBJECT 2024 MANAGER FEE UNITS AND APPLICATION FOR WHITEWASH WAIVER

Reference was made to a circular (the “Circular”) of Spring REIT dated 23 July 2024 in relation to the issuance of the Subject 2024 Manager Fee Units and the Whitewash Waiver by Spring REIT. Unless otherwise defined herein, capitalised terms used in this section shall have the same meanings as given to them in the Circular. As disclosed in the Circular, the Manager anticipated that the issuance of one of the further tranches of the 2024 Manager Fee Units (being the Subject 2024 Manager Fee Tranche) would result in a mandatory offer threshold under Rule 26 of the Takeovers Code being reached by the Manager Concert Group, which would give rise to an obligation on the part of the Company to make a mandatory general offer unless the EGM Resolutions were duly passed and the Whitewash Waiver was granted by the SFC. The Manager applied to the SFC for and the SFC granted the Whitewash Waiver from the obligation on the part of the Manager to make a general offer for all issued Units and other securities of Spring REIT (if any) not already owned or agreed to be acquired by the Manager Concert Group as a result of the Manager’s receipt of the Subject 2024 Manager Fee Tranche. The EGM Resolutions were duly passed by way of a poll at the EGM held on 9 August 2024.

The completion of the issuance of the Subject 2024 Manager Fee Units (the “**Completion**”) took place on 16 August 2024. As disclosed in the announcement of Spring REIT dated 16 August 2024, 5,447,302 Units were issued to the Manager as payment of part of the Manager’s Fee for the period from 1 April 2024 to 30 June 2024, which caused the unitholding of Manager Concert Group in Spring REIT to first exceed 30%. Details of the issuance of the Subject 2024 Manager Fee Units, the Whitewash Waiver and the Completion were set out in the Spring REIT’s announcements dated 22 July 2024, 9 August 2024 and 16 August 2024 and the Circular.

COMPLIANCE WITH THE DEALINGS POLICY

To monitor and supervise any dealing of Units, the Manager has adopted a policy containing rules on dealings in the securities of Spring REIT by the Directors and the Manager (the “**Dealings Policy**”) on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules. Pursuant to the Dealings Policy, all Directors, the Manager, the employees of the Manager and director and employee of the subsidiaries of the Manager or the special purpose vehicles of Spring REIT (collectively “**Management Persons**”) who wish to deal in the Units and, because of their office or employment with the Manager, the relevant subsidiaries of the Manager or the relevant special purpose vehicles of Spring REIT, are likely to be in possession of unpublished inside information in relation to the securities of Spring REIT, must first have regard to the provisions analogous to those set out in Parts XIII and XIV of the SFO with respect to insider dealing and market misconduct, as if those provisions apply to the securities of Spring REIT. In addition, the Management Persons must not make any unauthorized disclosure of confidential information obtained in the course of their service to any other person or make any use of such information for the benefits of themselves or others.

Specific enquiry has been made with the Management Persons who have confirmed that they complied with the required standard set out in the Dealings Policy throughout the Reporting Year.

CORPORATE GOVERNANCE (continued)

Management Persons who are in possession of, aware of or privy to any negotiations or agreements related to intended acquisitions or disposals which are significant transactions or any unpublished inside information must refrain from dealing in the Units as soon as they become in possession of, aware of or privy to such information, until proper disclosure of the information in accordance with the REIT Code and any applicable provisions of the Listing Rules has been made. Management Persons who are privy to relevant negotiations or agreements or any inside information should caution those Management Persons who are not so privy that there may be unpublished inside information and that they must not deal in Spring REIT's securities until proper disclosure of information has been made.

Management Persons must not deal in any securities of Spring REIT at any time when they are in possession of unpublished inside information in relation to those securities, or where clearance to deal is not otherwise conferred upon them in the manner as provided in the Dealings Policy. In addition, Management Persons must not deal in the securities of Spring REIT on any day on which Spring REIT's financial results are published and: (a) during the period of 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the annual results; and (b) during the period of 30 days immediately preceding the publication date of the quarterly results (if any) or half-yearly results or, if shorter, the period from the end of the relevant quarter or half-year period up to the publication date of the relevant results, unless the circumstances are exceptional. In any event, in the case of dealings by a Management Person, the Management Person must comply with the procedures set out in the Dealings Policy.

Under the Trust Deed and by virtue of Part XV of the SFO, Unitholders will be deemed to have a notifiable interest if their holdings of Units reach or exceed the notifiable percentage level (as defined in the SFO for the purposes of Part XV of the SFO), i.e. 5.0% of the Units then in issue, and are required to notify the Stock Exchange and the Manager of their holdings in Spring REIT. The Manager keeps a register for these purposes and records in the register, against a person's name, the particulars provided pursuant to the notification and the date of entry of such record. The said register is available for inspection by the Trustee and any Unitholder at any time during business hours upon reasonable notice to the Manager.

COMMUNICATIONS WITH UNITHOLDERS

The Manager considers that mutual and effective communications with Unitholders and the investment community about corporate strategy, business development and prospects is the key priority for Spring REIT. The Manager also recognizes the importance of transparency and timely disclosure of information of Spring REIT, which will enable Unitholders and investors to make informed decisions.

The convening of annual general meetings of Unitholders by the Manager is one of the effective communication channels between the Board and the Unitholders. It provides an opportunity for Unitholders to obtain a better understanding of and, if necessary, to enquire the Board about Spring REIT's operating performance.

CORPORATE GOVERNANCE (continued)

During the Reporting Year, an annual general meeting and an extraordinary general meeting of Spring REIT were held on 29 May 2024 and 9 August 2024 respectively, providing a forum for communications between the Board and the Unitholders. The attendance of individual Directors at the annual general meeting and extraordinary general meeting are as follows:

Members of the Board	Annual General Meeting	Extraordinary General Meeting
Chairman and Non-executive Director		
Mr. Toshihiro Toyoshima	1/1	1/1
Chief Executive Officer and Executive Director		
Mr. Leung Kwok Hoe, Kevin	1/1	1/1
Chief Financial Officer and Executive Director		
Mr. Chung Wai Fai	1/1	1/1
Non-executive Director		
Mr. Hideya Ishino	1/1	1/1
Independent Non-executive Directors		
Mr. Simon Murray	1/1	1/1
Mr. Qiu Liping	1/1	1/1
Mr. Lam Yiu Kin	1/1	1/1
Ms. Tong Shumeng	1/1	1/1

Representatives of the external auditor also attended the above annual general meeting of Spring REIT.

Investors and Unitholders may at any time direct their enquiries about Spring REIT to the Board by writing to the Manager's office in Hong Kong at Room 2602, 26/F, LHT Tower, 31 Queen's Road Central, Central, Hong Kong or by email to ir@springreit.com.

CONVENING OF A UNITHOLDERS' MEETING AND PUTTING FORWARD OF PROPOSALS AT UNITHOLDERS' MEETING

The Trustee or the Manager may at any time convene a meeting of Unitholders. Pursuant to the Trust Deed, not less than two Unitholders registered as together holding not less than 10% of the outstanding Units in issue for the time being are entitled to request the Manager in writing to convene a meeting of Unitholders. In addition, Unitholders may send their enquiries to the Board or may put forward proposals at general meeting, in both cases, to the investor relations team of the Manager by email or to the registered office of the Manager by post. Please refer to "Corporate Information" on page 220 for the contact details.

NOTICE OF UNITHOLDERS' MEETINGS

Under the Listing Rules, the notice shall be sent at least 21 days before annual general meeting and at least 14 days for other general meetings while in accordance with the requirement under the Trust Deed, a notice of at least 20 clear business days shall be given to Unitholders for an annual general meeting is proposed for consideration, and a notice of at least 10 clear business days shall be given to Unitholders for all other general meetings of Unitholders. All notices so served to Unitholders are exclusive of the day on which the notice is served or deemed to be served and of the day for which the notice is given.

MATTERS TO BE DECIDED BY UNITHOLDERS BY WAY OF SPECIAL RESOLUTION

A meeting of Unitholders when convened may, by way of a special resolution and in accordance with the Trust Deed, among others, consider and approve the following matters:

- (i) change in the Manager's investment policies and objectives of Spring REIT;
- (ii) disposal of any of Spring REIT's investment (which is in the nature of real estate or shares in any special purpose vehicle holding interests in real estate) prior to the expiry of two years from the time of Spring REIT's holding of such investment;
- (iii) any increase in the rate above the permitted limit or change in structure of the Manager's fees (other than any additional fee as allowed under the Trust Deed);
- (iv) any increase in the rate above the permitted limit or change in structure of the Trustee's fees (other than any additional fee as allowed under the Trust Deed);
- (v) any modification, variation, alteration or addition to the Trust Deed which shall be agreed by the Trustee and the Manager as provided in the Trust Deed (save for issues that are required to comply with applicable regulatory requirements);
- (vi) removal of Spring REIT's external auditor and appointment of new external auditor;
- (vii) removal of the Trustee and appointment of a new Trustee;
- (viii) termination of Spring REIT; and
- (ix) merger of Spring REIT in compliance with applicable provisions of the Code on Takeovers and Mergers.

QUORUM

Two or more Unitholders present in person or by proxy registered as holding together not less than 10% of the Units then in issue and outstanding will form a quorum for the transactions of all business, except for the purpose of passing a special resolution. The quorum for passing a special resolution will be two or more Unitholders present in person or by proxy registered as holding together not less than 25% of the Units then in issue and outstanding.

VOTING

For a meeting at which a Unitholder has a material interest in the business to be conducted and such interest is different from those of other Unitholders (as determined by the Manager (where the Unitholder(s) concerned is (are) not connected person(s) of the Manager) or the Trustee (where the Unitholder(s) concerned is (are) connected person(s) of the Manager) in its absolute discretion), where the business to be conducted includes but is not limited to an issue of new Units which will constitute an increase in the holdings of a Unitholder in excess of his/her/its pro-rata portion, such Unitholder shall be prohibited from voting with regard to his/her/its Units at such meeting or being counted in the quorum for such meeting.

POLL VOTE

At any meeting, a resolution put to the meeting shall be decided on a poll, except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands, and the result of the poll shall be deemed to be the resolution of the meeting. On a poll, every Unitholder who is present in person or by proxy shall have one vote for every Unit of which he/she/it holds in the capacity of a Unitholder, provided that such Units are fully paid up. Votes cast by a Unitholder in contravention of the REIT Code or Listing Rules shall not be counted.

INVESTOR RELATIONS

The Manager is committed to providing an open and effective communication platform to ensure that Unitholders and the investment community at large are informed of the ongoing developments of Spring REIT. The Manager reinforces this platform by utilizing a variety of interactive means to engage and maintain dialogues with investors and analysts. The Manager believes feedback and comments from the investment community are crucial for shaping the future direction of Spring REIT.

To the extent possible under the current regulatory framework, communications with investors are conducted effectively through:

- (i) direct communications including physical meetings conducted with the senior executives of the Manager, both locally and overseas;
- (ii) guided property tours organized by the Manager and the property management team;
- (iii) provision of regular communication materials; and
- (iv) announcements and press releases posted on Spring REIT's website, including disclosures made pursuant to regulatory requirements or on a voluntary basis.

Other than annual and interim results announcements, the Manager also voluntarily releases the unaudited operational statistics of Spring REIT on a quarterly basis.

Details of the distribution policy of Spring REIT are set out in the section "Distribution" in this annual report.

The Unitholders and investors' communication procedures are considered to be effective during the Reporting Year.

CONSTITUTIONAL DOCUMENTS

During the Reporting Year, the Manager had amended the Trust Deed to reflect recent amendments of the Listing Rules allowing the holding and the resale of treasury shares, as modified and supplemented by the circular published by the SFC on 24 May 2024 regarding "Treasury unites of SFC-authorised REITs". Please refer to the announcement dated 20 September 2024 for more details. There was no change in the Compliance Manual during the Reporting Year.

REVIEW OF ANNUAL RESULTS

The consolidated annual results of Spring REIT for the Reporting Year have been reviewed by the Audit Committee and the Disclosures Committee of the Manager in accordance with their respective terms of reference. The consolidated annual results of Spring REIT for the Reporting Year have also been agreed by the external auditor of Spring REIT in accordance with International Standards on Auditing.

CHANGES IN INFORMATION OF DIRECTORS OF THE MANAGER

During the Reporting Year and up to the date of this annual report, the Manager received notification regarding the following changes in Directors' information:

Director	Changes in Information
Toshihiro Toyoshima <i>Chairman and Non-executive Director</i>	– resigned as director of TA Consultancy Limited with effect from 8 April 2024
Hideya Ishino <i>Non-executive Director</i>	– resigned as director of MIC International Limited with effect from 10 March 2024
Leung Kwok Hoe, Kevin <i>Chief Executive Officer and Executive Director</i>	– appointed as a director of MIBJ Consulting (Beijing) Co., Ltd* 摩丘利亞(北京)投資諮詢有限公司 with effect from 2 August 2024 – appointed as director of Beijing Hua-re Real Estate Consultancy Co., Ltd* 北京華瑞興貿房地產諮詢有限公司 with effect from 2 August 2024 and resigned as director with effect from 30 October 2024
Chung Wai Fai <i>Chief Financial Officer and Executive Director</i>	– resigned as director of Hawkeye Properties 501 Limited with effect from 28 March 2025
Qiu Liping <i>Independent Non-executive Director</i>	– resigned as director of Beijing Ku Ke Music Co., Lid. with effect from 17 June 2024 – resigned as director of Eichent Limited in January 2024 – resigned as director of Naxos Music Group in January 2024 – resigned as director of Milestone Capital in January 2024

Save as disclosed above, as at the date of this annual report, the Manager has not been notified of any change in Directors' information which is required to be included in this report.

CORPORATE GOVERNANCE (continued)

PURCHASE, SALE OR REDEMPTION OF UNITS

During the Reporting Year, the Manager (on behalf of Spring REIT) bought back on-market a total of 2,574,000 Units on the Stock Exchange at an aggregate consideration (excluding expenses) of approximately HK\$5.3 million. Further details are set out as follows:

Month	Number of Units bought back (on-market)	Purchase price per Unit		Approximate aggregate consideration (excluding expenses) HK\$'000
		Highest HK\$	Lowest HK\$	
2024				
January	684,000	2.2824	2.2140	1,543
August	310,000	1.9400	1.8900	595
September	653,000	1.9800	1.8800	1,266
October	760,000	2.0900	1.9500	1,542
November	167,000	2.0100	1.8900	325

All the above on-market Unit buy-backs by the Manager during the Reporting Year were carried out pursuant to the general mandate to buy back Units granted by the Unitholders that was in force in the relevant time, and were made in the interests of Spring REIT and the Unitholders as a whole. The buy-backs were effected by the Manager for the enhancement of the net asset value and/or earnings per Unit.

The average cost (excluding expenses) of the Units bought back on-market was approximately HK\$2.05 per Unit. All the above Units bought back were cancelled during the Reporting Year.

Save as disclosed above, there was no purchase, sale or redemption of the Units or sale of treasury Units by the Manager on behalf of Spring REIT or any of the special purpose vehicles that are owned and controlled by Spring REIT during the Reporting Year. Please also refer to the section headed "New Issue of Units" in this report for details relating to new Units issued by Spring REIT during the Reporting Year.

PUBLIC FLOAT OF THE UNITS

Based on information that is publicly available and within the knowledge of the Directors, Spring REIT maintained a public float of not less than 25% of the issued and outstanding Units as of 31 December 2024.

INVESTMENTS IN PROPERTY DEVELOPMENT AND RELEVANT INVESTMENTS

As at 31 December 2024, Spring REIT did not enter into any (i) Investments in Property Development and Related Activities (as defined in Paragraph 2.16A of the REIT Code); or (ii) Relevant Investments (as defined in Paragraph 7.2B of the REIT Code).

RISK MANAGEMENT AND INTERNAL CONTROL

Spring REIT is exposed to various risks in its course of business and the markets in which it operates. The management recognizes that risk management should be of concern to everyone within Spring REIT and is highly aware of the importance of risk management in managing Spring REIT, and thus it is committed to constructing and maintaining a sound risk management framework to ensure business viability and sustainability. To manage and monitor different risk factors which Spring REIT may be exposed to, the Board is responsible for establishing and overseeing Spring REIT's risk management and internal control systems on an ongoing basis, and ensuring the review of the effectiveness of the risk management and internal control systems is properly conducted. The main features of such systems, which will operate continuously, are described in this Corporate Governance Report.

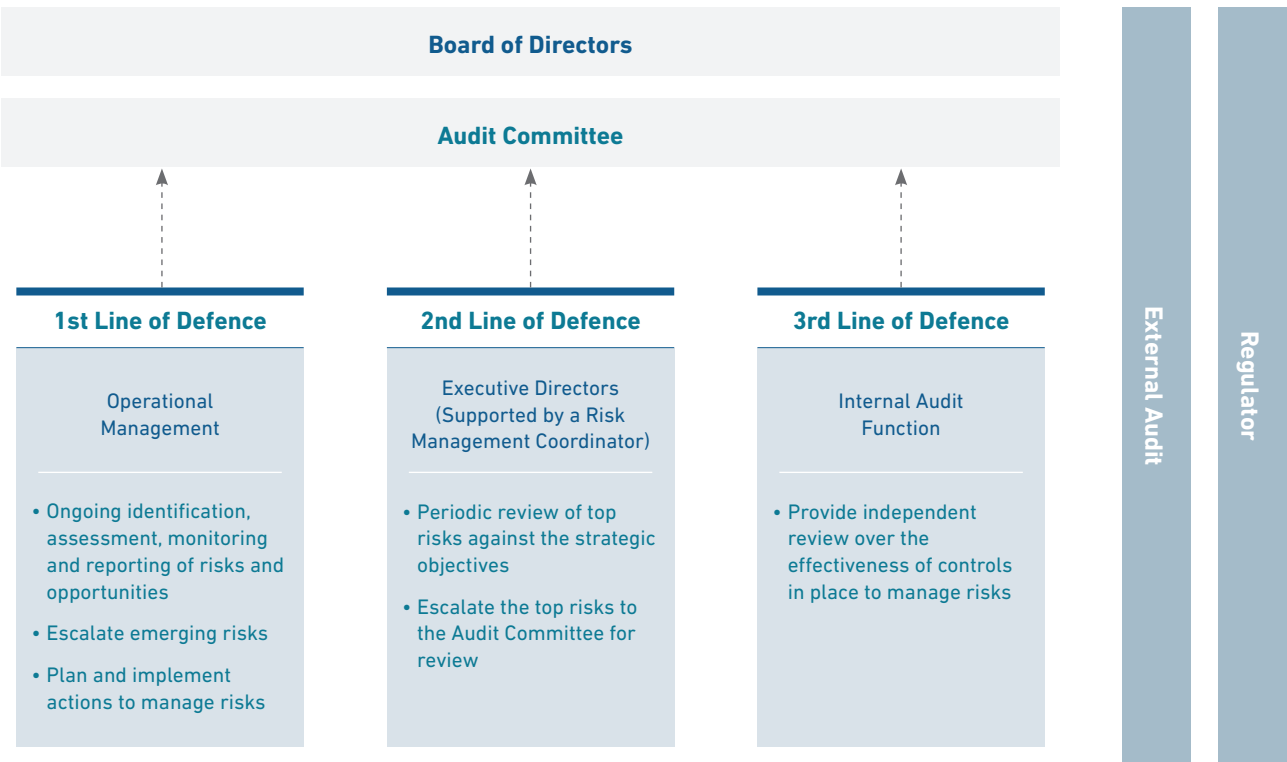
Spring REIT has developed a risk management system, which is defined and supported by its risk management policy (the **"RM Policy"**). The responsibility for maintaining an effective system of internal control and risk management is also included in the terms of reference of the Audit Committee.

A "Top-Down" approach is adopted for the Group's risk management system, which involves strong oversight by the Board, the Audit Committee, and the Executive Directors throughout the risk management processes. The system helps to identify risks and clarify major risks that may hinder the Group from achieving its objectives. It also supports decision-making at the Board and senior management levels and enhances communications within Spring REIT's management team.

RISK GOVERNANCE STRUCTURE

Spring REIT's risk governance structure under its risk management system is shown below. The "Three Lines of Defence" model is adopted where each party is established with distinct and comprehensive role and responsibility.

RISK GOVERNANCE STRUCTURE



RISK MANAGEMENT AND INTERNAL CONTROL (continued)

1st Line of Defence – Operational Management

Operational management consists of Function Heads, who are responsible for identifying and assessing risks associated with business activities in day-to-day operations. They are also responsible for implementing risk action plans to address the top risks identified from the risk assessment process.

2nd Line of Defence – Executive Directors

The Executive Directors supported by a Risk Management Coordinator monitor the overall effectiveness of the Group's risk management system. They resolve and align any risk management practices and activities of different functions that are inconsistent and review the results of the annual risk assessment, which is then submitted and reported to the Audit Committee. The Risk Management Coordinator also prepares a consolidated risk register of Spring REIT to the Executive Directors and Audit Committee for review.

3rd Line of Defence – Internal Audit Function

By carrying out independent reviews of key business processes and controls in accordance with the annual audit plan approved by the Audit Committee, the Internal Audit Function, as the third line of defence, provides independent review result to the Audit Committee on whether the risk management related internal controls within the business function properly. The Internal Audit Function periodically reports to the Audit Committee to evaluate and improve the effectiveness of controls and governance processes.

RISK ASSESSMENT METHODOLOGY



RISK MANAGEMENT AND INTERNAL CONTROL (continued)

RISK ASSESSMENT METHODOLOGY

Spring REIT adopts the Committee of Sponsoring Organizations of Treadway Commission ("**COSO**") Enterprise Risk Management ("**ERM**") Framework in establishing its ERM system which illustrates the key components of any ERM system. Spring REIT's methodology for its risk assessment comprises four core stages as below. The process is performed as necessary to address changes in Spring REIT's business environment.

The Group's methodology for its risk assessment comprises four core stages as below. These processes are performed at least once a year to adapt to changes in the REIT's business environment.

(a) Risk Identification

Functional Heads identify risks in the operations they are responsible for as well as risks that they believe to be relevant to the Group as a whole. All the identified risks are consolidated and summarised into a risk inventory by the Risk Assessment Coordinator, which is then reviewed by the Executive Directors.

(b) Risk Assessment

Risks are evaluated by Functional Heads using predefined risk assessment criteria. Risk scoring and prioritization process are performed. Key risks are prioritised and top risks are validated.

(c) Risk Response

Risk Owners are assigned for each selected risk. Risk Owners also formulate risk mitigation plans for the significant risks identified relating to their areas of responsibility.

(d) Risk Monitoring and Reporting

Risk Owners are responsible for monitoring the implementation and effectiveness of the risk mitigation plans which they are responsible for. The Risk Owners provide periodic updates to the Executive Directors regarding the progress of the implementation of the risk mitigation plans and on the performance of these plans.

REVIEW ON THE EFFECTIVENESS OF RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS

The Board conducts an annual review on the effectiveness of risk management and internal control systems, covering all material controls such as strategic, financial, operational and compliance controls. The Internal Audit function is responsible for performing independent reviews of the risk management system and to report the results to the Audit Committee and the Executive Directors.

The Internal Audit function review the efficient performance of the annual risk assessment review assistance exercise and also reviews the effectiveness of the risk mitigation planning process and action plan development.

The risk management and internal control systems can provide reasonable but not absolute assurance against material misstatement or loss, and are designed to manage rather than eliminate the risk of failure in the process of attaining business objectives. Based on the results of the annual review, the Board is satisfied and confident with the effectiveness of the risk management and internal control systems currently put in place for Spring REIT.

COMMUNICATIONS OF RISK EVENTS

Where risk events arise, our communications, both within the Group and to external parties, are an integral part of the risk management system. To enable the Group to make appropriate decisions and responses to mitigate or address any risk events, relevant information on the incident needs to be communicated by and to the right functions and individuals, completely and accurately, and in a timely manner.

With respect to procedures and internal controls for handling and dissemination of inside information, Spring REIT:

- has developed written policies and procedures in relation to the handling of inside information under Hong Kong regulatory requirements, including but not limited to maintenance of confidentiality and prohibition of insider dealing by the management;
- is aware of its obligation under the SFO and the Listing Rules;
- conducts its affairs with close reference to the "Guidelines on Disclosure of Inside Information" issued by the SFC;
- has set out rules and procedures in dealing with enquiries from regulatory bodies, trading halt and additional disclosures to correct a false market.

CONNECTED PARTY TRANSACTIONS

The connected party transaction rules of the REIT Code govern transactions between Spring REIT or other parts of the Group and connected persons (as defined in Paragraph 8.1 of the REIT Code) of Spring REIT. Such transactions will constitute connected party transactions for the purposes of the REIT Code.

Connected persons (as defined in Paragraph 8.1 of the REIT Code) of Spring REIT include, among others:

- (a) the Manager of Spring REIT;
- (b) the Trustee of Spring REIT;
- (c) a substantial holder;

Notes:

- (1) A holder is a substantial holder if it is entitled to exercise, or control the exercise of, 10% or more of the voting power at any general meeting of Spring REIT or any of its subsidiaries.

- (d) a director or chief executive of (i) the Manager of Spring REIT; (ii) the Trustee of Spring REIT; or (iii) any subsidiaries of Spring REIT;

Notes:

- (1) "Chief executive" is a person who either alone or together with one or more other persons is or will be responsible under the immediate authority of the board of directors for the conduct of the business of the relevant entity.
- (2) "Director" of the Manager or any of subsidiaries of Spring REIT also includes a person who was a director of the Manager or any subsidiaries of Spring REIT in the last 12 months.

- (e) an associate of the persons or entities in (a), (b), (c) or (d) above;
- (f) a "connected subsidiary" as defined in Chapter 14A of the Listing Rules (modified as appropriate pursuant to 2.26 of the REIT Code); and
- (g) a person deemed to be connected by SFC.

Notes:

- (1) SFC has the power to deem any person to be a connected person.
- (2) In general, a "deemed connected person" under Chapter 14A of the Listing Rules (modified as appropriate pursuant to 2.26) would be deemed as a connected person under this paragraph.

Based on the best knowledge of the Manager, set out below is the information in respect of connected party transactions during the Reporting Year involving Spring REIT and/or its subsidiaries (on the one side) and connected persons (as defined in Paragraph 8.1 of the REIT Code) of Spring REIT (on the other side), which are governed by Chapter 8 of the REIT Code.

CONNECTED PARTY TRANSACTIONS (continued)

CONNECTED PARTY TRANSACTIONS — INCOME

The following table sets forth the information on connected party transactions (other than those transactions disclosed under the section headed “Connected Party Transactions with Trustee Connected Persons” below) from which the Group derived its income during the Reporting Year:

Name of Connected Person	Relationship with Spring REIT	Nature of the Connected Party Transaction	Income for the Reporting Year RMB	Rental Deposit received as at 31 Dec 2024 RMB
MIBJ Consulting (Beijing) Co., Ltd.* (摩丘利亞 (北京) 投資諮詢有限公司)	Associated company of the Manager and associate of a director of the Manager ¹	Leasing	961,354	295,073
PAG Investment Consulting (Beijing) Co., Limited (太盟投資管理諮詢 (北京) 有限公司)	An associate of a substantial holder of Spring REIT ²	Leasing	2,507,132	770,350
Huizhou Huamao Operations Management Co., Ltd.* (惠州華貿商業管理有限公司)	An associate of a substantial holder of Spring REIT ³	Leasing	2,937,346	973,081

Notes:

- 1 MIBJ Consulting (Beijing) Co., Ltd. (“**Mercuria Beijing**”) is wholly-owned by Mercuria Holdings Co., Ltd., which in turn holds 80.4% shareholding in the Manager. Mr. Toshihiro Toyoshima, the Chairman and Non-executive Director of the Manager, Mr. Hideya Ishino, a Non-executive Director of the Manager, and Mr. Leung Kwok Hoe, Kevin, the Chief Executive Officer and Executive Director of the Manager, are also directors of MIBJ Consulting (Beijing) Co., Ltd.

On 19 September 2022, the Group (through the Beijing Property Manager) as landlord and Mercuria Beijing as tenant entered into a tenancy agreement in respect of certain office premises owned by Spring REIT at the CCP Property for a term of three years commencing from 1 October 2022. Details of the transaction was set out in the announcement of Spring REIT dated 19 September 2022.
- 2 PAG Investment Consulting (Beijing) Co., Limited (太盟投資管理諮詢 (北京) 有限公司) (“**PAG Beijing**”) is a non-wholly owned subsidiary of PAG Holdings Limited, a substantial holder of Spring REIT, and therefore a connected person of Spring REIT pursuant to paragraph 8.1(f) of the REIT Code.

On 27 May 2022, the Group (through the Beijing Property Manager) as landlord and PAG Beijing as tenant entered into a tenancy agreement in respect of certain office premises owned by Spring REIT at the CCP Property for a term of three years commencing from 1 November 2022. Details of the transaction was set out in the announcement of Spring REIT dated 27 May 2022.

CONNECTED PARTY TRANSACTIONS (continued)

- 3 Huizhou Huamao Operations Management Co., Ltd. ("**Huizhou Property Manager**") is an associate of Huamao Property Holdings Limited ("**Huamao Property**"), a substantial holder of Spring REIT, and therefore a connected person of Spring REIT pursuant to paragraph 8.1(f) of the REIT Code.

On 25 September 2022, Huizhou Runxin Shopping Mall Development Co., Ltd. as landlord and Huizhou Property Manager entered into a leasing framework agreement ("**Direct Operation Leasing Framework Agreement**") to govern the direct operation agreements. As at 31 December 2024, there were fourteen tenancy agreements entered under the Direct Operating Leasing Framework Agreement. The Direct Operation Leasing Framework Agreement was renewed on 31 December 2024 for a term of 3 years commencing on 1 January 2025. Details of the transaction were set out in the circular of Spring REIT dated 3 May 2022 and the announcement of Spring REIT dated 31 December 2024.

On 28 September 2022, Huizhou Runxin Shopping Mall Development Co., Ltd. as landlord and the Huizhou Property Manager entered into a tenancy agreement in respect of certain premises owned by Spring REIT at Huamao Place for a term of approximately 27 months commencing from 28 September 2022 until 31 December 2024. The tenancy agreement was renewed on 31 December 2024 with a term of 3 year commencing on 1 January 2025. Details of the transactions were set out in the circular of Spring REIT dated 3 May 2022 and the announcement of Spring REIT dated 31 December 2024.

Beijing Guohua Real Estate Co., Ltd.* ("**Beijing Guohua**") is an associate of Huamao Property Holdings Limited ("**Huamao Property**"), a substantial holder of Spring REIT, and therefore a connected person of Spring REIT pursuant to paragraph 8.1(f) of the REIT Code.

The Group (as lessor) has entered into a carpark master lease contract dated 1 January 2017 and subsequently renewed with last renewal on 31 December 2024 (the "**Carpark Master Lease**") with Beijing Huamao Property Consulting Co., Ltd. First Branch (the "**Carpark Operator**") (as lessee), pursuant to which the Group's carpark spaces within the Development are master-leased to the Carpark Operator at a fixed rent, subject to an annual payment adjustment pursuant to the Carpark Management and Benefit Sharing Agreement (as described below). The Carpark Operator is an independent third party of Spring REIT. Details of the transaction were set out in the announcements of Spring REIT dated 15 December 2023 and 31 December 2024.

In relation to the Carpark Master Lease, the Group (through the Beijing Property Manager) and a wholly-owned subsidiary of Beijing Guohua, both as owners of their respective carpark spaces in the Development, have jointly entered into a carpark management and benefit sharing agreement dated 22 October 2020 and subsequently renewed with last renewal on 15 December 2023 to (i) appoint the Carpark Operator for the provision of management services in respect of the relevant carpark spaces, and (ii) set out the basis for determining the amount of the net income (after deduction of carpark management fees) generated from the carpark and each owner's entitlement thereto (the "Carpark Management and Benefit Sharing Agreement" and together with the Carpark Master Lease, the "**Carpark Contracts**"). Details of the transaction were set out in the announcement of Spring REIT dated 15 December 2023.

Under the Carpark Master Lease, the transaction amount for the Reporting Year was RMB4,833,284. Under the Carpark Management and Benefit Sharing Agreement, (i) the Group's entitlement to the net income (after deduction of carpark management fees) for the Reporting Year was RMB4,047,202, and (ii) the Group's share of the carpark management fees for the Reporting Year was RMB1,678,080.

CONNECTED PARTY TRANSACTIONS (continued)

CONNECTED PARTY TRANSACTIONS — EXPENSES

The following table sets forth the information on connected party transactions (other than those disclosed under the section headed “Connected Party Transactions with Trustee Connected Persons” below) from which the Group incurred its expenses during the Reporting Year:

Name of Connected Person	Relationship with Spring REIT	Nature of the Connected Party Transaction	Expenses for the Reporting Year RMB
Beijing Hua-re Real Estate Consultancy Co., Ltd.* (北京華瑞興實房地產諮詢有限公司)	Associated company of the Manager ¹	Property management	9,079,770
Huizhou Huamao Operations Management Co., Ltd.* (惠州華貿商業管理有限公司)	An associate of a substantial holder of Spring REIT ²	Property management	28,864,099

Notes:

1. Beijing Hua-re Real Estate Consultancy Co., Ltd. (the Beijing Property Manager) is 40% owned by Mercuria Investment, which is a fellow subsidiary of the Manager. Mr. Toshihiro Toyoshima, the chairman and Non-executive Director of the Manager is also a director of the Beijing Property Manager.

On 30 August 2011, the Group and the Beijing Property Manager entered into a property management agreement (the “**Beijing Property Management Agreement**”) in relation to the provision of certain property management and lease management as well as marketing services by the Beijing Property Manager in respect of the CCP Property. Pursuant to the Beijing Property Management Agreement, a monthly property management fee equivalent to 2% of the CCP Property’s monthly total revenue will be payable to the Beijing Property Manager in consideration for the services provided. On 25 August 2023, the Beijing Property Management Agreement was renewed on the same terms and conditions for 28 months commencing from 1 September 2023 and expiring on 31 December 2025. Details of the transaction were set out in the announcement of Spring REIT dated 25 August 2023.

2. On 25 September 2022, the Group and the Huizhou Property Manager entered into a property management agreement (the “**Huizhou Property Management Agreement**”) in relation to the provision of certain property management services by the Huizhou Property Manager commencing from 28 September 2022 and expiring on 31 December 2024. Pursuant to the Huizhou Property Management Agreement, the Huizhou Property Manager will be entitled to receive a fee equivalent to 3% of the revenue of the Huizhou Property and a fee equivalent to the Huizhou Property Manager’s human resources cost and the corresponding value-added tax. Details of the transaction were set out in the circular of Spring REIT dated 3 May 2022.

On 31 December 2024, the Group and Huizhou Property Manager entered into a supplemental agreement to renew the Huizhou Property Management Agreement for another term of three years commencing from 1 January 2025 and expiring on 31 December 2027 (the renewed agreement being “**Renewed Huizhou Property Management Agreement**”). Pursuant to the Renewed Huizhou Property Management Agreement, the Huizhou Property Manager will be entitled to receive a fee equivalent to 4% of the revenue generated by the Huizhou Property and a fee equivalent to the Huizhou Property Manager’s human resources costs and the corresponding value-added tax. In addition, the Huizhou Property Manager will be entitled to charge an annual licence fee of RMB3.6 million for the use of the trademarks relating to “華貿天地” (owned by an affiliate of the Huizhou Property Manager) for designated purposes, such as the inclusion of the name and logo of the Huizhou Property in promotional materials and investor presentations. While the Huizhou Property Manager has not historically charged any licence fee for the use of these trademarks, the Manager considers such fee (which formed part of the fee package that the parties arrived at following arm’s length negotiation) to be fair and reasonable, having regard to the importance of these trademarks to the overall branding and financial performance of Huizhou Property. Details of the Renewed Huizhou Property Management Agreement and the Manager’s view in relation to the same were set out in the announcement of Spring REIT dated 31 December 2024.

CONNECTED PARTY TRANSACTIONS (continued)

On 15 December 2023, the Group and Beijing Guohua, both as owners of their respective portion of the Development have jointly entered into a service contract for a period of 24 months commencing on 1 January 2024 to appoint Beijing Huamao Property Management Co., Ltd., the common area manager (the “**Common Area Manager**”), for the provision of maintenance and management services for the relevant common areas within the Development (the “**Common Area Service Contract**”). Details of the transaction were set out in the announcement of Spring REIT dated 15 December 2023.

The Group is responsible for its portion of the management fee payable to the Common Area Manager, which is determined taking into account the Group’s proportional property area. Pursuant to the Common Area Service Contract, the management fee payable by the Group to the Common Area Manager is settled via deduction from the building management fees paid directly by the tenants of the Group to the building manager, and such management fee amount for the Reporting Year was RMB3,284,852. The Common Area Manager is an independent third party of Spring REIT.

On 21 December 2021, Beijing Huamao Property Consulting Co. Ltd.* (the “**Beijing Building Manager**”) (as a delegate of RCA01) and Beijing Huamao Commercial Management Co. Ltd.* (the “**Digital CCP Service Provider**”) entered into an agreement for a term of three years commencing from 1 January 2022 under which the Digital CCP Service Provider agreed to provide certain property digital system services (the “**Digital CCP System Service Contract**”) to the Spring REIT CCP Properties and the tenants. On 31 December 2024, the Beijing Building Manager and the Digital CCP Service Provider entered in a supplemental agreement to renew the Digital CCP System Service Contract for another term of three years commencing from 1 January 2025. Details of the transaction were set out in the announcement of Spring REIT dated 31 December 2024. Pursuant to the Digital CCP System Service Contract, the service fee for the Reporting Year was nil.

CONNECTED PARTY TRANSACTIONS (continued)

CONNECTED PARTY TRANSACTIONS WITH TRUSTEE CONNECTED PERSONS

The following tables set forth the information on connected party transactions entered into between the Group and Trustee Connected Persons (which includes the Trustee, any director or chief executive of the Trustee and any associate of the Trustee) during the Reporting Year:

Name of Connected Person	Relationship with Spring REIT	Nature of the Connected Party Transaction	Income/(Expense) for the Reporting Year RMB
Leasing Transactions			
Deutsche Bank AG and its associated companies	Trustee Connected Persons	Leasing	32,830,969 ¹
Ordinary Banking and Financial Services			
Deutsche Bank AG	Trustee Connected Person	Interest income received/receivable on bank deposits	3,336,507 ²
Deutsche Bank AG	Trustee Connected Person	Bank charges	(18,271) ³

Notes:

- As at 31 December 2024, a rental deposit of RMB6,751,429 was held by the Group from Trustee Connected Persons. RMB5,345,837 was held by RCA01 (a special purpose vehicle wholly owned and controlled by Spring REIT) by way of bank guarantee provided by Deutsche Bank (China) Co., Ltd. as at 31 December 2024.

On 1 November 2016, Spring REIT (through Beijing Property Manager) as landlord and Deutsche Bank (China) Company Limited, a Trustee Connected Person, as tenant entered into a tenancy agreement in respect of certain office premises owned by Spring REIT at the CCP Property for a term of 5 years commencing from 1 December 2016. In October 2021 and November 2021, certain office premises under the tenancy agreement was renewed for a further term of 5 years with effect from 1 December 2021.

On 1 March 2016, Spring REIT (through Beijing Property Manager) as landlord and Zhong De Securities Company Limited, a Trustee Connected Person, as tenant entered into a tenancy agreement in respect of certain office premises owned by Spring REIT at the CCP Property for a term of five years commencing from 1 May 2016 and subsequently renewed for a term of five years commencing from 1 May 2021. In April 2021, the tenancy agreement was renewed for a further term of 5 years with effect from 1 May 2021.

- It represents the interest income received/receivable on the bank deposits with the Trustee Connected Persons.
- It represents the bank charges charged by the Trustee Connected Persons for certain banking services.

CONNECTED PARTY TRANSACTIONS (continued)

CONNECTED PARTY TRANSACTIONS WITH TRUSTEE CONNECTED PERSONS - LEASING UNDER WHICH THE ANNUAL RENT (PER LEASE) EXCEEDS HK\$1 MILLION

The following table sets forth the information on leasing transactions with Trustee Connected Persons with annual rent (per lease) that exceeds HK\$1 million during the Reporting Year.

Name of Connected Person	Relationship with Spring REIT	Nature of the Connected Party Transaction	Rental income for the Reporting Year RMB
Deutsche Bank (China) Company Ltd.	Trustee Connected Person	Lease for the certain premises of 27th and 28th floors of Tower 1, China Central Place and signage income	14,113,157
Zhong De Securities	Trustee Connected Person	Lease for the certain premises of 22nd and 23rd floors of Tower 1, China Central Place and signage income	18,717,812

CONFIRMATION BY THE MANAGER AND TRUSTEE OF CORPORATE FINANCE TRANSACTION WITH TRUSTEE CONNECTED PERSONS

Both the Manager and the Trustee confirm that there was no corporate finance transaction and/or other connected party transaction (save and except for those disclosed hereinabove) between Spring REIT and any Trustee Connected Persons during the Reporting Year.

CONNECTED PARTY TRANSACTIONS (continued)

WAIVERS FROM STRICT COMPLIANCE

Waivers from strict compliance with the disclosure and approval requirements of Unitholders under Chapter 8 of the REIT Code in respect of certain connected party transactions entered into by Spring REIT and/or its subsidiaries with their connected persons (the “**Waivers**”) have been granted by the SFC. The Waivers have been granted subject to the relevant waiver terms and conditions including, inter alia, the requirements that the transactions should be entered into on normal commercial terms in the ordinary and usual course of business of Spring REIT, and are to be reviewed by the external auditor of Spring REIT, the Independent Non-executive Directors of the Manager and/or the audit committee of the Manager, and (in respect of certain types of transactions) the transaction amounts shall be within the specified annual caps and shall be disclosed in Spring REIT’s semi-annual and annual reports as required under the REIT Code (the “**Waiver Conditions**”).

During the Reporting Year, Spring REIT has complied with the requisite Waiver Conditions, where applicable.

An extension of the waiver from strict compliance with the disclosure and approval requirements under Chapter 8 of the REIT Code in respect of certain new and certain existing continuing connected party transactions and new annual caps for certain leasing transactions and property management arrangements between the Group and Manager Connected Persons Group has been granted by the SFC on 20 May 2015 (the “**2015 Waiver Extension**”), subject to annual limitation as to the capped value of such transactions, review to be conducted by the external auditor for each relevant financial period, annual review to be conducted by the Independent Non-executive Directors of the Manager and other terms and conditions.

The 2015 Waiver Extension expired on 31 December 2017 (the “**Expiry Date**”). As disclosed in the announcement of the Manager dated 22 December 2017 (the “**2017 Announcement**”), the Board of the Manager decided not to seek an extension of the 2015 Waiver Extension upon its expiry in view that only two relevant continuing connected party transactions was to subsist beyond the Expiry Date. The Manager has complied with during the Reporting Year and will continue to comply with all disclosure and Unitholders’ approval requirements under Chapter 8 of the REIT Code in respect of any relevant continuing connected party transaction which either: (a) subsisted after the Expiry Date; or (b) was entered into by Spring REIT after the Expiry Date.

CONFIRMATION BY THE INDEPENDENT NON-EXECUTIVE DIRECTORS

The Independent Non-executive Directors have confirmed that they have reviewed the terms of all relevant connected party transactions above and are satisfied that the transactions have been entered into:

- (a) in the ordinary and usual course of business of Spring REIT;
- (b) on normal commercial terms (to the extent that there are comparable transactions) or, where there are insufficient comparable transactions to judge whether they are on normal commercial terms, on terms no less favorable to Spring REIT than terms available to or from (as appropriate) independent third parties; and
- (c) in accordance with the relevant agreements and the Manager’s internal procedures governing them, if any, on terms that are fair and reasonable and in the interest of the Unitholders as a whole.

CONNECTED PARTY TRANSACTIONS (continued)

REPORT FROM THE AUDITOR IN RELATION TO CERTAIN CONNECTED PARTY TRANSACTIONS

The continuing connected party transactions conducted during the Reporting Year have been reviewed by the external auditor in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The external auditor has issued an unqualified letter containing its findings and conclusions in respect of the connected party transactions including lease transactions, property management transactions and transactions involving ordinary banking and financial services in accordance with the Waivers and the 2015 Waiver Extension from strict compliance with the disclosure and Unitholders' approval requirements under Chapter 8 of the REIT Code granted by the SFC. A copy of such report would be issued and provided to the SFC.

TERMS AND REMUNERATION OF SERVICES PROVIDED BY THE MANAGER, THE TRUSTEE AND THE PRINCIPAL VALUER

Pursuant to the REIT Code, services provided by the Manager and the Trustee to Spring REIT as contemplated under the constitutive documents shall not be deemed connected party transactions, but particulars of such services (except where any service transaction with a value of not more than HK\$1 million), such as terms and remuneration, shall be disclosed in the next published semi-annual report or annual report.

During the Reporting Year, the aggregate amount of fees payable by Spring REIT and/or its subsidiaries to the Manager was RMB60.77 million. The Manager's fee paid in the form of Units amounted to HK\$41.05 million and the Manager's fee paid in the form of cash amounted to HK\$25.54 million. Based on the election made by the Manager dated 13 December 2023 in relation to the Manager's elections for the Base Fee payable in the form of cash as to 20% and in the form of units as to 80%, and for Variable Fee payable in the form of cash entirely, arising from any real estate of Spring REIT for the year ending 31 December 2024 in accordance with the Trust Deed.

During the Reporting Year, the fee payable to the Trustee under the Trust Deed was RMB2.15 million.

Particulars of services provided by the Trustee and the Manager are set out in notes 7 and 11 to the consolidated financial statements of Spring REIT for the Reporting Year, respectively.

ACQUISITION OF THE HUIZHOU PROPERTIES

During the Reporting Year, the tax holdback amount owing to the Huamao Focus Limited (the "**Offshore Seller**"), an associate of Huamao Property, amounting to RMB1.2 million, which would be settled after the Offshore Seller has complied with certain obligations under the China Indirect Transfer Rules and paid the corresponding tax payable under the China Indirect Transfer Rules.

* The Company has no official English name. The above unofficial English translation is for identification purpose only. Please refer to Chinese version of annual report for official Chinese name.

DISCLOSURE OF INTERESTS

The REIT Code requires that connected persons (as defined in Paragraph 8.1 of the REIT Code) of Spring REIT shall disclose their interests in the Units. In addition, under the provisions of the Trust Deed, Part XV of the SFO is also deemed to be applicable to, among others, the Directors and chief executives of the Manager and also indirectly to certain persons interested in or having a short position in the Units.

INTERESTS HELD BY THE MANAGER, THE DIRECTORS OR CHIEF EXECUTIVE OF THE MANAGER

As at 31 December 2024, each of the following was the Manager, a director or chief executive of the Manager and thus each of them was a connected person of Spring REIT under the REIT Code and, so far as the Manager is aware, held or was interested in the Units in Spring REIT as follows:

		As at 31 December 2024		As at 31 December 2023		
		Number of Units interested in (Long Position)	Approximate % of interest ¹	Number of Units interested in (Long Position)	Approximate % of interest ¹	Change in % of interest
Name	Capacity/Nature of interest					
The Manager						
Spring Asset Management Limited ²	Beneficial owner/ Beneficial interest	75,189,907	5.15%	54,354,892	3.77%	+1.38%
Directors						
Toshihiro Toyoshima	Beneficial owner/Personal interest	1,652,000	0.11%	1,652,000	0.11%	0.00%
Hideya Ishino	Beneficial owner/Personal interest	115,000	0.01%	115,000	0.01%	0.00%
Leung Kwok Hoe, Kevin	Beneficial owner/Personal interest	759,000	0.05%	759,000	0.05%	0.00%
Simon Murray ³	Beneficial owner/Personal interest	1,457,000	0.10%	1,235,000	0.09%	+0.01%
Qiu Liping ³	Beneficial owner/Personal interest	1,457,000	0.10%	1,235,000	0.09%	+0.01%
Lam Yiu Kin ³	Beneficial owner/Personal interest	1,522,000	0.10%	1,280,000	0.09%	+0.01%

Notes:

- The percentages expressed herein are based on the total number of issued Units of 1,459,041,125 as at 31 December 2024 and 1,440,497,110 as at 31 December 2023 respectively.
- During the Reporting Year, an aggregate of 21,521,015 new Units were issued to the Manager as payment of part of the Manager's fee. The Manager beneficially owned 75,189,907 Units as at 31 December 2024 (31 December 2023: 54,354,892 Units).
- Each of Mr. Simon Murray, Mr. Qiu Liping and Mr. Lam Yiu Kin received these Units in lieu of cash pursuant to the Independent Non-executive Director Remuneration Announcement. Please refer to the sub-section headed "Disclosure on the Independent Non-executive Director Remuneration Arrangement" in the section headed "Corporate Governance" on page 87 of this annual report for details. As at 31 December 2024, there had been no change to the annual election made by each of the above Independent Non-executive Directors whereas Ms. Tong Shumeng elected 100% of her remuneration in cash.

DISCLOSURE OF INTERESTS (continued)

Save as disclosed above, none of the Manager, the Directors or chief executive of the Manager had beneficial interests (or were deemed to be interested) in any Units and underlying Units or held any short position in the Units as at 31 December 2024 which were required to be notified to the Manager and the Stock Exchange pursuant to Part XV of the SFO or to the Manager only pursuant to the Personal Account Dealing Policy (as the case may be).

INTERESTS HELD BY SUBSTANTIAL UNITHOLDERS UNDER THE REIT CODE

As at 31 December 2024, based on the information available to the Manager, each of the following persons was considered as a “**substantial holder**” and hence a “**connected person**” of Spring REIT within the meaning and for the purpose of the REIT Code. Their interests or short positions in the Units which were required to be disclosed to the Manager and the Stock Exchange pursuant to Part XV of the SFO are set out below:

Name	Capacity/Nature of interest	As at 31 December 2024		As at 31 December 2023		
		Number of Units interested in (Long Position)	Approximate % of issued Units ¹	Number of Units interested in (Long Position)	Approximate % of issued Units ¹	Change in % of interest
RCA Fund ²	Beneficial owner/Beneficial interest	336,720,159	23.08%	336,720,159	23.38%	-0.30%
RCAC ²	Interest of controlled corporation/corporate interests	336,720,159	23.08%	336,720,159	23.38%	-0.30%
Sumitomo Mitsui Banking Corporation ²	Person having a security interest in shares /other interests	334,720,159	22.94%	334,720,159	23.24%	-0.30%
Mercuria Investment ³	Interest of controlled corporation/corporate interests	336,720,159	23.08%	336,720,159	23.38%	-0.30%
Mercuria Holdings ⁴	Interest of controlled corporation/corporate interests	411,910,066	28.23%	391,075,051	27.15%	+1.08%
Spirit Cayman Ltd. ⁵	Beneficial owner/Beneficial interest	169,552,089	11.62%	169,552,089	11.77%	-0.15%
PAG ^{5 & 6}	Interest of controlled corporation/corporate interests	169,552,089	11.62%	169,552,089	11.77%	-0.15%
Shan Weijian ⁷	Interest of controlled corporation/corporate interests	169,552,089	11.62%	169,552,089	11.77%	-0.15%

DISCLOSURE OF INTERESTS (continued)

Name	Capacity/Nature of interest	As at 31 December 2024		As at 31 December 2023		
		Number of Units interested in (Long Position)	Approximate % of issued Units ¹	Number of Units interested in (Long Position)	Approximate % of issued Units ¹	Change in % of interest
Huamao Property ⁸	Interest of controlled corporation & beneficial owner/corporate interests & beneficial interests	360,188,420	24.69%	360,188,420	25.00%	-0.31%
Fang Chao ⁸	Interest of controlled corporation/corporate interests	360,188,420	24.69%	360,188,420	25.00%	-0.31%
Lin Minghan ⁸	Interest of controlled corporation/corporate interests	360,188,420	24.69%	360,188,420	25.00%	-0.31%
Chia Seok Eng ⁸	Interest of controlled corporation/corporate interests	360,188,420	24.69%	360,188,420	25.00%	-0.31%

Notes:

- The percentages expressed herein are based on the total number of issued Units of 1,459,041,125 as at 31 December 2024 and 1,440,497,110 as at 31 December 2023 respectively.
- These 336,720,159 Units (including 334,720,159 Units in short position) are beneficially owned by RCA Fund. Based on the information available to the Manager, RCAC is a general partner of RCA Fund. RCAC has exclusive rights to the management, control and operation of RCA Fund and is thus deemed to be interested in the Units held by RCA Fund. The interest of 334,720,159 Units in short position represents a pledge by RCA Fund to Sumitomo Mitsui Banking Corporation using the said Units as collateral to secure the borrowing of a loan.
- These 336,720,159 Units (including 334,720,159 Units in short position) directly held by RCA Fund which was managed by Mercuria Investment. Please refer to Note 2 above for details of interests of RCA Fund.
- Based on the disclosure of interests notification filed on 24 November 2023, Mercuria Holdings was interested in 391,245,051 Units (including 334,720,159 Units in short position) through 100% or non-100% controlled entities (including the Manager). The Manager received a total of 21,521,015 Units as manager fee as per the disclosure of interests notifications filed on 27 March 2024, 2 May 2024, 20 August 2024 and 1 November 2024. The Manager had paid remuneration to its Independent Non-executive Directors by transferring a total of 686,000 Units as per its disclosure of interests notifications filed on 27 March 2024, 24 June 2024, 26 September 2024 and 20 December 2024 respectively. After that, Mercuria Holdings was interested in 411,910,066 Units. These 411,910,066 Units comprise the interests of (i) 336,720,159 Units (including 334,720,159 Units in short position) directly held by a 47.19% controlled entity (RCA Fund); and (ii) 75,189,907 Units directly held by a 80.40% controlled entity (the Manager). Please refer to Note 2 above for details of interests of RCA Fund.
- These 169,552,089 Units were beneficially owned by Spirit Cayman Ltd. Based on disclosure of interests notification made by PAG filed on 11 July 2023, each of PAG Real Estate Limited, PARE (Cayman) Limited and PAG Investment Advisors Pte. Ltd. was interested in the same parcel of 169,552,089 Units in which PAG was deemed to be interested. Please refer to Note 6 below.

DISCLOSURE OF INTERESTS (continued)

6. Based on disclosure of interests notifications filed on 11 July 2023:

- (a) each of PARE (Cayman) Limited (as controlling entity of SCREP VI Management, LLC as to 100%), PAG Investment Advisors Pte. Ltd. (as manager of SCREP VI Management, LLC), SCREP VI Management, LLC (as general partner of SCREP VI, L.P. and SCREP VI Feeder A, L.P.), SCREP VI Feeder A, L.P. (as limited partner and controlling entity of SCREP VI, L.P. as to 75.33%), SCREP VI, L.P. (as controlling entity of SCREP VI Holdings L.P. as to 100%) and SCREP VI Holdings L.P. (as controlling entity of Spirit Cayman Ltd. as to 100%) was deemed to be interested in 169,552,089 Units, being the same parcel of Units directly held by Spirit Cayman Ltd. as referred to in Note 5 above;
- (b) PAG Real Estate Limited was interested in 169,552,089 Units through its 100% controlled entities PARE (Cayman) Limited and PAG Investment Advisors Pte. Ltd; and
- (c) PAG was interested in 169,552,089 Units through its 100% controlled entity PAG Real Estate Limited.

The interests of each of the above were also disclosed in the disclosure of interests notification made by PAG filed on 11 July 2023.

7. Based on the notification filed on 11 July 2023, Shan Weijian was deemed to be interested in 169,552,089 Units through PAG (as controlling person of PAG as to 34.67%) as referred to Notes 5 and 6 above.

8. These 360,188,420 Units comprise the interests of (i) 56,500,742 Units directly held by Huamao Property; (ii) 128,749,000 Units directly held by a 100% controlled entity (China Orient Stable Value Fund Limited); (iii) 160,626,029 Units directly held by a 100% controlled entity (Alpa Great Global Limited); and (iv) 14,312,649 Units directly held by a 100% controlled entity (Jade Wave Global Limited). The following disclosure of interests notifications filed are related to the same batch of Units interested and deemed to be interested by Huamao Property:

- (a) according to the notifications filed on 21 September, 2023, each of RCA02 (as controlling entity of Huamao Property as to 41.84%), Diligent Glory Investments Limited (as controlling entity of RCA02 as to 100%), Risun Holdings Limited (as controlling entity of Diligent Glory Investments Limited as to 100% and controlling entity of Huamao Property as to 17.68%) and Fang Chao (as controlling person of Risun Holdings Limited as to 80%) was deemed to be interested in those 360,188,420 Units, being the same parcel of Units directly and indirectly held by Huamao Property.
- (b) according to the notifications filed on 21 September 2023, each of Siberite Limited (as controlling entity of Huamao Property as to 40.48%) and Lin Minghan (as controlling person of Siberite Limited as to 50%) was deemed to be interested in those 360,188,420 Units, being the same parcel of Units directly and indirectly held by Huamao Property.
- (c) according to the notifications filed on 21 September 2023, each of Siberite Limited (as controlling entity of Huamao Property as to 40.48%), Pebblebay Capital Corp (as controlling entity of Siberite Limited as to 50%) and Chia Seok Eng (as controlling person of Pebblebay Capital Corp as to 100%) was deemed to be interested in those 360,188,420 Units, being the same parcel of Units directly and indirectly held by Huamao Property.

Save as disclosed above and based on the information available to the Manager, no other substantial holders of Spring REIT within the meaning of REIT Code had beneficial interests (or were deemed to be interested) in any Units or underlying Units or held any short position in the Units as at 31 December 2024 which were required to be notified to the Manager and the Stock Exchange pursuant to Part XV of the SFO.

DISCLOSURE OF INTERESTS (continued)

INTERESTS HELD BY SUBSTANTIAL HOLDERS UNDER THE SFO

As at 31 December 2024, the interests and short position in the Units held by persons, other than the Manager, Directors or chief executive of the Manager or substantial holders of Spring REIT under REIT Code disclosed above, who were interested in 5% or more but below 10% of the Units which were required to be disclosed to the Manager and the Stock Exchange pursuant to Part XV of the SFO are set out below:

Name	Capacity/ Nature of interest	As at 31 December 2024		As at 31 December 2023		Change in % of interest
		Number of Units interested in (Long Position)	Approximate % of issued Units ¹	Number of Units interested in (Long Position)	Approximate % of issued Units ¹	
Mamoru Taniya	Beneficial owner/Beneficial interest	102,604,639	7.03%	102,604,639	7.12%	-0.09%
China Orient Stable Value Fund Limited ²	Beneficial owner/Beneficial interest	128,749,000	8.82%	128,749,000	8.94%	-0.12%

Note:

- The percentages expressed herein are based on the total number of issued Units of 1,459,041,125 as at 31 December 2024 and 1,440,497,110 as at 31 December 2023 respectively.
- Huamao Property was interested in 128,749,000 Units through its 100% controlled entity China Orient Stable Value Fund Limited. Huamao Property's interests in Units are also disclosed in the section of "Interests held by Substantial Unitholders under the REIT Code" above.

Save as disclosed above and based on the information available to the Manager, the Manager is not aware of any other substantial holders of Spring REIT within the meaning of the SFO who had beneficial interests (or were deemed to be interested) in 5% or more but below 10% of the Units or underlying Units or held any short position in the Units as at 31 December 2024 which were required to be notified to the Manager and the Stock Exchange pursuant to Part XV of the SFO.

INTERESTS HELD BY OTHER CONNECTED PERSONS OF SPRING REIT

As at 31 December 2024, save as disclosed above and based on the information available to the Manager, the Manager is not aware of any other connected persons of Spring REIT, including the Trustee, who have interests (or deemed interests) in the Units or underlying Units or held any short position in Units which were required to be notified to the Manager and the Stock Exchange pursuant to the REIT Code or pursuant to the Trust Deed.

VALUATION REPORT

The Directors
Spring Asset Management Limited
(as manager of Spring Real Estate Investment Trust)
Room 2602, 26/F, LHT Tower
31 Queen's Road Central, Central, Hong Kong

DB Trustees (Hong Kong) Limited
(as trustee of Spring Real Estate Investment Trust)
60/F, International Commerce Centre
1 Austin Road West, Kowloon, Hong Kong

Australia and New Zealand Banking Group Limited, Singapore Branch
(as Facility Agent of the syndicated loan to RCA01)
10 Collyer Quay, #22-0 Ocean Financial Centre

21 March 2025

Dear Sirs

Valuation of Office Towers 1 & 2 and a total of approximately 600 Underground Car Parking Spaces of China Central Place located at Nos 79 & 81 Jianguo Road, Chaoyang District, Beijing, The People's Republic of China (the "Property")

In accordance with your instructions for us to value Property held by RCA01 ("RCA01") and exhibited to us by Spring Asset Management Limited (the "Company") and DB Trustees (Hong Kong) Limited in the People's Republic of China (the "PRC"), we confirm that we have carried out inspections, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the Property as at 31 December 2024 for your financial reporting purpose.

BASIS OF VALUATION

Market Value is defined within "The HKIS Valuation Standards 2020" issued by HKIS and "The RICS Valuation – Global Standards" issued by RICS as:

"The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."

"the estimated exchange price of an asset without regard to the seller's costs of sale or the buyer's costs of purchase and without adjustment for any taxes payable by either party as a direct result of the transaction."

Market value is the most probable price reasonably obtainable in the market on the valuation date in keeping with the market value definition. It is the best price reasonably obtainable by the seller and the most advantageous price reasonably obtainable by the buyer. This estimate specifically excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangements, special considerations or concessions granted by anyone associated with the sale, or any element of value available only to a specific owner or purchaser.

VALUATION REPORT (continued)

VALUATION METHODOLOGY

Our valuation has been undertaken using appropriate valuation methodology and our professional judgement. We have adopted Income Approach – Term and Reversion Method and cross-checked the valuation by Market Approach.

Income Approach – Term and Reversion Method is a valuation methodology by reference to the capacity of a property to generate benefits (i.e. usually the monetary benefits of income and reversion) and convert these benefits into an indication of present value. It is based on the premise that an investor uses the income capability of an investment as a measure of value. All the things being equal, the basic premise is that the higher the income, the higher the value. The income from a property is usually annual operating income or pre-tax cash flow. The conversion of income into an expression of market value is known as the capitalization process, which is to convert estimated annual income expectancy into an indication of value either by dividing the income estimate by an appropriate yield rate or by multiplying the income estimate by an appropriate factor.

For cross-checking purpose, we have adopted the Market Approach. In adopting the Market Approach, we have made reference to the recent market sales evidence which is available in the market. Appropriate adjustments have been made in our valuation to reflect the differences in the characteristics between the Property and the comparable properties such as location, size, age, condition and quality in arriving at our opinion of the market value.

TITLE DOCUMENTS AND ENCUMBRANCES

We have been provided with the copies of extracts of documents in relation of the title to the Property. However, we have not examined the original documents to ascertain any amendments which may not appear on the copies handed to us. We have relied on the information given by the Company regarding the titles and other legal matters relating to the Property.

No allowance has been made in our report for any charges, mortgages or amounts owing on the property interest nor for any expenses or taxation which may be incurred in affecting a sale. Unless otherwise stated, it is assumed that the Property is free from encumbrances, restrictions and outgoings of an onerous nature which could affect its value.

SOURCE OF INFORMATION

In the course of our valuation, we have relied on a very considerable extent on the information given by the Company and have accepted advice given to us on such matters as planning approvals or statutory notices, easements, tenure, tenancies, completion dates of the buildings, identification of the Property, particulars of occupancy, site areas and floor areas. Dimensions, measurements and areas included in the valuation report attached are based on information provided to us and are therefore only approximations. We have no reason to doubt the truth and accuracy of the information provided to us by the Company which is material to the valuation. We were also advised by the Company that no material facts have been omitted from the information provided.

VALUATION REPORT (continued)

INSPECTION AND MEASUREMENT

We have inspected the exterior, and where possible, the interior of the Property and the inspection was conducted by Wayne Luo, our Senior Valuer, in October 2024. However, no structural survey has been made and we are therefore unable to report that the Property is free from rot, infestation or any other structural defects, nor were any tests carried out to any of the services. For the purpose of this valuation, we have assumed that the Property has been maintained in satisfactory condition. Moreover, we have not been able to carry out on-site measurements to verify the site areas and floor areas of the Property and we have assumed that the areas shown on the copies of the documents handed to us are correct.

IDENTITY OF PROPERTY TO BE VALUED

We exercised reasonable care and skill (but will not have an absolute obligation to you) to ensure that the Property, identified by the property address in your instructions, is the property inspected by us and contained within our valuation report. If there is ambiguity as to the property address, or the extent of the Property to be valued, this should be drawn to our attention in your instructions or immediately upon receipt of our report.

ENVIRONMENTAL ISSUES

We are not environmental specialists and therefore we have not carried out any scientific investigations of sites or buildings to establish the existence or otherwise of any environmental contamination, nor have we undertaken searches of public archives to seek evidence of past activities that might identify potential for contamination. In the absence of appropriate investigations and where there is no apparent reason to suspect potential for contamination, our valuation is prepared on the assumption that the Property is unaffected. Where contamination is suspected or confirmed, but adequate investigation has not been carried out and made available to us, then the valuation will be qualified.

COMPLIANCE WITH RELEVANT RULES AND REGULATIONS

We have assumed that the Property has been constructed, occupied and used in full compliance with, and without contravention of any rules and regulations, statutory requirement and notices except only where otherwise stated. We have further assumed that, for any use of the Property upon which this report is based, any and all required licences, permits, certificates, consents, approvals and authorization have been obtained, except only where otherwise stated.

CURRENCY

Unless otherwise stated, all money amounts stated are in Renminbi.

VALUATION REPORT (continued)

REMARKS

Our valuation complies with Chapter 6.8 of the Code of Real Estate Investment Trusts (the “**REIT Code**”) issued by the Securities and Futures Commission (the “**SFC**”), the Practice Note on Overseas Investment by SFC – Authorized Real Estate Investment Trusts (forming part of the REIT Code), “The HKIS Valuation Standards 2020” published by The Hong Kong Institute of Surveyors (“**HKIS**”), and “The RICS Valuation – Global Standards” issued by the Royal Institution of Chartered Surveyors (“**RICS**”), which incorporate the International Valuation Standards (the “**Red Book**”).

We hereby confirm that we have neither present nor prospective interests in Spring REIT, the Property and/or the Company. Pursuant to Paragraph 6.5 of the REIT Code, we confirm that we are independent to Spring REIT, the Company, DB Trustees (Hong Kong) Limited and each of the significant holders of Spring REIT.

Our executive summary and valuation report are attached.

Yours faithfully
For and on behalf of
Knight Frank Petty Limited

Reviewed (but not undertaken) by:

Gary Lau
MHKIS MRICS RPS(GP) RICS Registered Valuer

*Senior Director
Valuation & Advisory*

Enc

Cyrus Fong
FRICS FHKIS RPS(GP) MCIREA RICS Registered Valuer

*Executive Director
Head of Valuation & Advisory, Greater China*

VALUATION REPORT (continued)

EXECUTIVE SUMMARY

Property	Office Towers 1 & 2 and a total of approximately 600 Underground Car Parking Spaces of China Central Place located at Nos 79 & 81 Jianguo Road, Chaoyang District, Beijing, The PRC
Description	China Central Place is a mixed-use commercial complex comprising a shopping mall, 3 blocks of office towers, 2 blocks of 5-star hotel, various residential buildings, car parking spaces and other ancillary facilities. The Property comprises the 25-storey Office Tower 1 (Level 4 to Level 28), the 29-storey Office Tower 2 (Level 4 to Level 32) and a total of about 600 underground car parking spaces of China Central Place. Level 16 of Office Tower 1 and Level 20 of Office Tower 2 are used as refuge floor. The Property also provides three signages at the eastern and the western sides on the roof of Office Tower 1.
Site Area	13,692.99 sq.m (Note 1)
Registered Owner	RCA01 (第一瑞中資產管理有限公司)
Gross Floor Area	According to the information provided by the Company, the details of approximate gross floor area of the Property are listed as follows:

Portion	Approximate Gross Floor Area (sq.m)
Office Tower 1	56,068.32
Office Tower 2	64,176.87
Car Park	25,127.35
Total:	145,372.54

State-owned Land Use Certificate	Jing Chao Guo Yong (2010 Chu) Di No. 00118 (京朝國用 (2010出) 第00118號)
Real Estate Ownership Certificate	X Jing Fang Quan Zheng Chao She Wai Zi Di No. 521508, 521532 - 521537, 521539 - 521542, 521544 - 521545, 521547, 521549 - 521566, 521568 - 521571, 521573 - 521582 and 521584 - 521593 (X京房權證朝涉外字第521508, 521532 - 521537, 521539 - 521542, 521544 - 521545, 521547, 521549 - 521566, 521568 - 521571, 521573 - 521582 and 521584 - 521593號)
Date of Valuation	31 December 2024
Valuation Methodology	Income Approach and Market Approach (for cross checking)
Market Value in Existing State	RMB8,400,000,000

VALUATION REPORT (continued)

VALUATION REPORT

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 31 December 2024
Office Towers 1 & 2 and a total of approximately 608 Car Parking Spaces of China Central Place Nos 79 & 81 Jianguo Road Chaoyang District Beijing The PRC	<p>China Central Place is a mixed-use commercial complex comprising a shopping mall, 3 blocks of office towers, 2 blocks of 5-star hotel, various residential towers, car parking spaces and other ancillary facilities. It is completed in 2006.</p> <p>The Property comprises the 25-storey Office Tower 1 (Level 4 to Level 28), the 29-storey Office Tower 2 (Level 4 to Level 32) and a total of about 608 underground car parking spaces of China Central Place with a total gross floor area of approximately 145,372.54 sq.m. Level 16 of Office Tower 1 and Level 20 of Office Tower 2 are used as refuge floor. The underground car parking spaces are on the basement of China Central Place. The Property also provides three signages at the eastern and the western sides on the roof of Office Tower 1.</p> <p>The approximate gross floor area of the Property is listed as follows:</p>	<p>The office portion of the Property with a total gross floor area of approximately 106,558.30 sq.m has been leased under various tenancies with the majority expiring within 3 years, yielding a total monthly rent of approximately RMB34,840,000, exclusive of value-added tax.</p> <p>The remaining portion of the Office Towers 1 and 2 was vacant.</p> <p>The car parking spaces have been leased to a property management company with a term expiring on 31 December 2024, yielding a total annual rent of RMB4,500,000, inclusive of value-added tax.</p> <p>Three signages have been leased under various tenancies with terms expiring on 31 December 2025, 30 April 2026, and 30 November 2026, yielding a total annual rent of approximately RMB3,700,000, exclusive of value-added tax.</p>	RMB8,400,000,000 (RENMINBI EIGHT BILLION FOUR HUNDRED MILLION ONLY)
		<p>Approximate Gross Floor Area Portion (sq.m)</p>	
		Office Tower 1 56,068.32	
		Office Tower 2 64,176.87	
		Car Park 25,127.35	
		Total: 145,372.54	
		<p>The Property is held under land use rights term expiring on 28 October 2053 for office and car park uses.</p>	

VALUATION REPORT (continued)

Notes:

- Pursuant to the State-owned Land Use Rights Certificate No. Jing Chao Guo Yong (2010 Chu) Di No. 00118 (國有土地使用證京朝國用(2010出)第00118號) dated 21 May 2010, the land use rights of the Property with a site area of 13,692.99 sq.m have been granted to RCA01 for a land use term expiring on 28 October 2053 for office and car park uses.
- Pursuant to 56 Real Estate Ownership Certificates Nos. X Jing Fang Quan Zheng Chao She Wai Zi Di No. 521508, 521532 – 521537, 521539 – 521542, 521544 – 521545, 521547, 521549 – 521566, 521568 – 521571, 521573 – 521582 and 521584 – 521593 (X京房權證朝涉外字第521508, 521532 – 521537, 521539 – 521542, 521544 – 521545, 521547, 521549 – 521566, 521568 – 521571, 521573 – 521582 and 521584 – 521593號), the building ownership of the Property with a total gross floor area of 145,372.54 sq.m is vested in RCA01.
- As advised by the Company, the Property is subject to a mortgage.
- The key assumptions adopted in our valuation for the Target Property are summarized as follows:

(i)	Term Yield	4.0%
(ii)	Reversionary Yield	4.5%
(iii)	Average Monthly Unit Rent	RMB370

In undertaking our valuation, we have made reference to various asking rental references of office comparables within the same and neighboring districts. These rental references were with reference to their similar comparable to the Target Property. The monthly market unit rent are consistent with the said rental references. Due adjustments to the unit rents of those rental references have been made to reflect factors including but not limited to location, operating scale and tenant mix in arriving at the key assumptions.

- Our analysis of the existing tenancy profile according to the tenancy information provided by the Company is set out below:

Occupancy Profile

Type	Approximate Lettable Area (sq.m)	% of total
Leased	106,424.3	88.5
Vacant	13,820.9	11.5
Total:	120,245.2	100.0

Tenancy Expiry Profile

Year	Approximate Leased Area (sq.m)	% of total	No. of Tenancies	% of total
2025 or before	19,741.5	19	37	20
2026	31,290.2	29	52	28
2027	23,725.0	22	56	30
2028 or after	31,667.6	30	40	22
Total:	106,424.3	100	185	100

VALUATION REPORT (continued)

Year	Approximate Leased Area (sq.m)	% of total	No. of Tenancies	% of total
Less than 3 years	29,729.1	28	51	28
3-6 years	72,549.2	68	132	71
More than 6 years	4,146.0	4	2	1
Total:	106,424.3	100	185	100

6. We have prepared our valuation based on the following assumptions:

- (i) the Property has a proper legal title;
- (ii) all land premium and costs of resettlement and public utilities services have been fully settled;
- (iii) the design and construction of the Property are in compliance with the local planning regulations and have been approved by the relevant government authorities; and
- (iv) the Property can be freely disposed of to local or overseas purchasers.

MARKET OVERVIEW

Beijing

Beijing, located in northern China, is the capital of the People's Republic of China (PRC). It covers a site area of about 16,411 sq.km and had a total residential population of about 22.2 million in 2024. Beijing is one of the most developed cities in China. In Q4 2024, Beijing's Gross Domestic Product (GDP) reached RMB1.12 trillion, increasing by 5.4% year-on-year (YoY). Fixed Asset Investment increased by 3.2% YoY, and the disposable income per capita was about RMB41,300.

Chaoyang District

Chaoyang District is located at the city centre of Beijing, adjoining Tongzhou District to its east and Dongcheng District to its west. It covers a total site area of about 470.8 sq.km and had a total residential population of about 3.4 million in 2024. It is the home to most of the foreign embassies in Beijing and consists of several major commercial areas, such as the Central Business District, East Second Ring Road, Lufthansa and Wangjing area. In 2024, the GDP of Chaoyang District amounted to about RMB 838.7 billion, ranking second in Beijing, with a 5.4% YoY growth. Fixed Asset Investment increased by about 15.1% YoY. The disposable income per capita was about RMB 46,352, indicating a YoY growth of roughly 4.8%.

Beijing Office Market

In the third quarter of 2024 (Q3 2024), the Beijing office market showed positive signs of recovery, with a continued reduction in the vacancy rate and growth in net absorption reflecting the market's pick-up trend, despite the decline in rents. The city's average Grade-A rental level dropped by 1.9% QoQ to RMB275.6 per sq.m per month. The vacancy rate continued to decline by 0.4 percentage points QoQ to 17.6% in Q3, following the decline in Q2. Activity in Beijing's Grade-A office leasing market increased, with net absorption remaining at a relatively high level of 85,263 sq.m, following a return to positive territory in Q2. In terms of new supply, the completion and delivery of the Beijing Hunan Investment Tower in the Lize area saw the city's Grade-A office stock rise to 13.116 million sq.m.

It has become a norm in the office market for companies to reduce space and improve cost efficiency. As rental levels continue to fall, some companies are looking for more cost-effective buildings to upgrade their location and office quality. Demand for office relocation is therefore expected to rise in the coming quarters. In the fourth quarter (Q4), two new Grade-A office projects will be completed and delivered, bringing approximately 140,000 sq.m of office space to the market, resulting in a significant increase in new supply. Under the pressure of increased supply, rents are expected to continue to fall in Q4, and this will continue to increase the overall vacancy rate in the market.

Supply and Demand

In Q3, one new project was completed and delivered in the Beijing Grade-A office leasing market, namely Beijing Hunan Investment Tower, in the Lize area, providing approximately 40,000 sq.m of office space. Two new projects are expected to be completed and delivered in Q4: Dinghao DH3 Tower B in the Zhongguancun area, and National Financial Information Building in the Lize area. Dinghao DH3 will provide approximately 80,000 sq.m of office space, and National Financial Information Building will have a total gross floor area (GFA) of approximately 230,000 sq.m, 60,000 sq.m of which is expected to be office space for leasing to the public, with the remaining being owner-occupied space.

Market activity increased during Q3 because of continued price-for-volume measures and more aggressive leasing policies by office landlords. This year, demand for new leases from state-owned and central enterprises and the relocation of large tenants has increased, absorbing a certain amount of vacant space and boosting the market at the same time. As a result of these factors, the city's Grade-A office vacancy rate fell by 0.4 percentage point QoQ to 17.6% in Q3, with net absorption of 85,263 sq.m.

In Q3, there was a significant increase in the number of site inspections in some office submarkets, with clients mainly in the high-tech industry. Since last year, Beijing put forward policies of comprehensively promoting the digitalisation of the industry, which has gradually impacted the office market. Although market activity has increased, market demand has involved mainly relocations. New demand is still insufficient and has had a limited effect on the overall office space vacancy rate. Coupled with the new supply to be added in Q4, the vacancy rate is expected to increase in the next quarter.

VALUATION REPORT (continued)

Rents

Rental levels in the Grade-A office market maintained their downward trend in Q3, dropping 1.9% QoQ to RMB275.6 per sq.m per month. Landlords' price-for-volume measures are expected to continue for some time, making it difficult for the city's average rent to rebound in the near future.

Different sub-markets showed varying rental trends. The Wangjing Jiuxianqiao segment continued the Q2 rebound trend, with rents continuing to rise. The Wangjing Jiuxianqiao segment saw a significant increase in the number of site inspections and transactions in Q3, mainly from technology companies. The Wangjing Jiuxianqiao segment was more active in Q3, as it is traditionally popular with technology companies, and rents were significantly lower than those in the Zhongguancun segment, another popular location for technology companies. Rental levels in other areas declined to varying degrees. In the future, as the Beijing office market varies in terms of the main types of tenants in different areas, the changes in demand and rents in the sub-markets are expected to generate greater divergence.

Investment Market

In Q3, two en-block transactions were recorded in the Beijing office market, with domestic investors as the major buyers.

On 23 July, Ali Pictures purchased a 70% stake in the Huayi Headquarter Building property from Huayi Entertainment, an asset of the company's Jiali Culture, for a total consideration of RMB350 million. The property is a mixed-use office building located on Xinyuan South Road in Chaoyang District. On 31 July, Xinhua.net increased its investment in Guojin Ltd. by RMB1 billion and now holds an 85.05% equity stake in Guojin. Guojin is the property owner and operator of the Lize National Financial Information Building. Guojin intends to establish a new project company, which will hold ownership of its properties of the National Financial Information Building, with an appraised value of not less than RMB1,050 million and covering an area of not less than 20,000 sq.m. This includes the ownership of the 5th to 6th floors and 10th to 18th floors of the East Tower and the relevant ancillary facilities, which will belong to Xinhua.net.

VALUATION REPORT (continued)

The Directors
Spring Asset Management Limited
(as manager of Spring Real Estate Investment Trust)
Room 2602, 26/F, LHT Tower
31 Queen's Road Central, Hong Kong

DB Trustees (Hong Kong) Limited
(as trustee of Spring Real Estate Investment Trust)
60/F, International Commerce Centre
1 Austin Road West, Kowloon, Hong Kong

21 March 2025

Dear Sirs

Valuation of Huamao Place, No. 9 First Wenchang Road, Jiangbei, Huicheng District, Huizhou City, Guangdong Province, The People's Republic of China (the "Property")

In accordance with your instructions for us to value Property held by Huizhou Runxin Shopping Mall Development Co., Ltd. (惠州市潤鑫商城發展有限公司) and exhibited to us by Spring Asset Management Limited (the "**Company**") and DB Trustees (Hong Kong) Limited in the People's Republic of China (the "**PRC**"), we confirm that we have carried out inspections, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the Property as at 31 December 2024 for your financial reporting purpose.

BASIS OF VALUATION

Market Value is defined within "The HKIS Valuation Standards 2020" issued by HKIS and "The RICS Valuation – Global Standards" issued by RICS as:

"The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."

"the estimated exchange price of an asset without regard to the seller's costs of sale or the buyer's costs of purchase and without adjustment for any taxes payable by either party as a direct result of the transaction."

Market value is the most probable price reasonably obtainable in the market on the valuation date in keeping with the market value definition. It is the best price reasonably obtainable by the seller and the most advantageous price reasonably obtainable by the buyer. This estimate specifically excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangements, special considerations or concessions granted by anyone associated with the sale, or any element of value available only to a specific owner or purchaser.

VALUATION REPORT (continued)

VALUATION METHODOLOGY

Our valuation has been undertaken using appropriate valuation methodology and our professional judgement. We have adopted Income Approach – Term and Reversion Method and cross-checked the valuation by Market Approach.

Income Approach – Term and Reversion Method is a valuation methodology by capitalizing the rental income shown on tenancy schedules handed to us by the Company and made provisions for reversionary income potential. In the course of our valuation, the adopted average market rent is approximately RMB184 per sq.m per month and the adopted reversionary yield is 6.0%.

For cross-checking purpose, we have adopted the Market Approach. In adopting the Market Approach, we have made reference to the recent market sales evidence which is available in the market. Appropriate adjustments have been made in our valuation to reflect the differences in the characteristics between the Property and the comparable properties such as location, size, age, condition and quality in arriving at our opinion of the market value.

TITLE DOCUMENTS AND ENCUMBRANCES

We have been provided with the copies of extracts of documents in relation of the title to the Property. However, we have not examined the original documents to ascertain any amendments which may not appear on the copies handed to us. We have relied on the information given by the Company regarding the titles and other legal matters relating to the Property.

No allowance has been made in our report for any charges, mortgages or amounts owing on the property interest nor for any expenses or taxation which may be incurred in affecting a sale. Unless otherwise stated, it is assumed that the Property is free from encumbrances, restrictions and outgoings of an onerous nature which could affect its value.

SOURCE OF INFORMATION

In the course of our valuation, we have relied on a very considerable extent on the information given by the Company and have accepted advice given to us on such matters as planning approvals or statutory notices, easements, tenure, tenancies, completion dates of the buildings, identification of the Property, particulars of occupancy, site areas and floor areas. Dimensions, measurements and areas included in the valuation report attached are based on information provided to us and are therefore only approximations. We have no reason to doubt the truth and accuracy of the information provided to us by the Company which is material to the valuation. We were also advised by the Company that no material facts have been omitted from the information provided.

VALUATION REPORT (continued)

INSPECTION AND MEASUREMENT

We have inspected the exterior, and where possible, the interior of the Property and the inspection was conducted by Joanna Cheung, our Senior Manager, in November 2024. However, no structural survey has been made and we are therefore unable to report that the Property is free from rot, infestation or any other structural defects, nor were any tests carried out to any of the services. For the purpose of this valuation, we have assumed that the Property has been maintained in satisfactory condition. Moreover, we have not been able to carry out on-site measurements to verify the site areas and floor areas of the Property and we have assumed that the areas shown on the copies of the documents handed to us are correct.

IDENTITY OF PROPERTY TO BE VALUED

We exercised reasonable care and skill (but will not have an absolute obligation to you) to ensure that the Property, identified by the property address in your instructions, is the property inspected by us and contained within our valuation report. If there is ambiguity as to the property address, or the extent of the Property to be valued, this should be drawn to our attention in your instructions or immediately upon receipt of our report.

ENVIRONMENTAL ISSUES

We are not environmental specialists and therefore we have not carried out any scientific investigations of sites or buildings to establish the existence or otherwise of any environmental contamination, nor have we undertaken searches of public archives to seek evidence of past activities that might identify potential for contamination. In the absence of appropriate investigations and where there is no apparent reason to suspect potential for contamination, our valuation is prepared on the assumption that the Property is unaffected. Where contamination is suspected or confirmed, but adequate investigation has not been carried out and made available to us, then the valuation will be qualified.

COMPLIANCE WITH RELEVANT RULES AND REGULATIONS

We have assumed that the Property has been constructed, occupied and used in full compliance with, and without contravention of any rules and regulations, statutory requirement and notices except only where otherwise stated. We have further assumed that, for any use of the Property upon which this report is based, any and all required licences, permits, certificates, consents, approvals and authorization have been obtained, except only where otherwise stated.

CURRENCY

Unless otherwise stated, all money amounts stated are in Renminbi.

VALUATION REPORT (continued)

REMARKS

Our valuation complies with Chapter 6.8 of the Code of Real Estate Investment Trusts (the “**REIT Code**”) issued by the Securities and Futures Commission (the “**SFC**”), the Practice Note on Overseas Investment by SFC – Authorized Real Estate Investment Trusts (forming part of the REIT Code), “The HKIS Valuation Standards 2020” published by The Hong Kong Institute of Surveyors (“**HKIS**”), and “The RICS Valuation – Global Standards” issued by the Royal Institution of Chartered Surveyors (“**RICS**”), which incorporate the International Valuation Standards (the “**Red Book**”).

We hereby confirm that we have neither present nor prospective interests in Spring REIT, the Property and/or the Company. Pursuant to Paragraph 6.5 of the REIT Code, we confirm that we are independent to Spring REIT, the Company, DB Trustees (Hong Kong) Limited and each of the significant holders of Spring REIT.

Our executive summary and valuation report are attached.

Yours faithfully
For and on behalf of
Knight Frank Petty Limited

Reviewed (but not undertaken) by:

Gary Lau

MHKIS MRICS RPS(GP) RICS Registered Valuer

*Senior Director
Valuation & Advisory*

Enc

Cyrus Fong

FRICS FHKIS RPS(GP) MCIREA RICS Registered Valuer

*Executive Director
Head of Valuation & Advisory, Greater China*

VALUATION REPORT (continued)

EXECUTIVE SUMMARY

Property	Huamao Place, No. 9 First Wenchang Road, Jiangbei, Huicheng District, Huizhou City, Guangdong Province, The PRC
Description	The Property comprises a shopping mall namely Huamao Place, completed in 2011 and erected on a parcel of land with a site area of approximately 41,540.60 sq.m. The Property comprises a 5-storey retail development erected over a 2-level basement with a total gross floor area of approximately 144,925.07 sq.m.
Site Area	41,540.60 sq.m
Registered Owner	Huizhou Runxin Shopping Mall Development Co., Ltd. (惠州市潤鑫商城發展有限公司)
Gross Lettable Area	According to the information provided by the Company, the details of approximate gross lettable area of the Property are listed as follows:

Level	Approximate Gross Lettable Area (sq.m)
Basement Level 1	17,575.23
Level 1	17,395.66
Level 2	16,215.31
Level 3	15,410.99
Level 4	16,952.89
Level 5	20,017.86
Total:	103,567.94

State-owned Land Use Certificate	Hui Fu Guo Yong (2008) Di 1302010063
Real Estate Ownership Certificate	Yue Fang De Quan Zheng Huizhou Zi Di 1100140394
Date of Valuation	31 December 2024
Valuation Methodology	Income Approach and Market Approach (for cross checking)
Market Value in Existing State	RMB2,852,000,000

VALUATION REPORT (continued)

VALUATION REPORT

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 31 December 2024
Huamao Place, No. 9 First Wenchang Road, Jiangbei, Huicheng District, Huizhou City, Guangdong Province, The PRC	<p>The Property comprises a shopping mall namely Huamao Place, completed in 2011 and erected on a parcel of land with a site area of approximately 41,540.60 sq.m.</p> <p>The Property comprises a 5-storey retail development erected over a 2-level basement with a total gross floor area of approximately 144,925.07 sq.m.</p> <p>As advised, the total gross lettable area of the Property is approximately 103,567.94 sq.m. Details of the approximate gross lettable area are listed as follows:</p>	<p>Portion of the Property with a total gross lettable area of approximately 93,583.68 sq.m has been leased under various tenancies with the last term expiring in April 2033, yielding a total monthly rental of approximately RMB17,210,000, inclusive of operation management fees but exclusive of building management fees, promotion fees and other outgoings.</p> <p>The remaining portion of the Property is currently vacant.</p>	<p>RMB2,852,000,000 RENMINBI TWO BILLION EIGHT HUNDRED AND FIFTY TWO MILLION ONLY</p>
		<p>Approximate Gross Lettable Area (sq.m)</p>	
Level			
Basement Level 1		17,575.23	
Level 1		17,395.66	
Level 2		16,215.31	
Level 3		15,410.99	
Level 4		16,952.89	
Level 5		20,017.86	
Total:		103,567.94	
<p>The Property also comprises 700 car parking spaces on Basement Level 2 and 50 open car parking spaces on Level 1.</p> <p>The land use rights of the Property have been granted for a term expiring on 1 February 2048 for commercial use.</p>			

VALUATION REPORT (continued)

Notes:

- Pursuant to the State-owned Land Use Rights Certificate No. Hui Fu Guo Yong (2008) Di 1302010063 issued by Huizhou Bureau of Land Resources and Housing Management dated 7 November 2008, the land use rights of a parcel of land with a site area of 41,540.60 sq.m have been granted to Huizhou Runxin Shopping Mall Development Co., Ltd. (惠州市潤鑫商城發展有限公司) for a term expiring on 1 February 2048 for commercial use.
- Pursuant to the Real Estate Title Ownership Certificate No. Yue Fang De Quan Zheng Huizhou Zi Di 1100140394 issued by Huizhou Bureau of Land Resources and Housing Management dated 29 August 2012, the title of the Property with a total gross floor area of 144,925.07 sq.m is vested in Huizhou Runxin Shopping Mall Development Co., Ltd. (惠州市潤鑫商城發展有限公司).
- The Property is subject to a mortgage in favour of Guangzhou Branch of Ping An Bank Co.,Ltd dated 22 March 2022.
- The key assumptions adopted in our valuation for the Target Property are summarized as follows:

(i)	Term Yield	5.5%
(ii)	Reversionary Yield	6.0%
(iii)	Average Monthly Unit Rent	RMB184

In undertaking our valuation, we have made reference to various asking rental references of office comparables within the same and neighboring districts. These rental references were with reference to their similar comparable to the Target Property. The monthly market unit rent are consistent with the said rental references. Due adjustments to the unit rents of those rental references have been made to reflect factors including but not limited to location, operating scale and tenant mix in arriving at the key assumptions.

- Our analysis of the existing tenancy profile according to the tenancy information provided by the Company is set out below:

Occupancy Profile

Type	Approximate Lettable Area (sq.m)	% of total
Leased	93,583.68	90.4
Vacant	9,984.26	9.6
Total:	103,567.94	100.0

Tenancy Expiry Profile

Year	Approximate Leased Area (sq.m)	% of total	No. of Tenancies	% of total
2025	30,130	32	236	45
2026	27,098	29	144	27
2027	15,268	16	81	15
2028 and beyond	21,087	23	69	13
Total:	93,584	100	530	100

VALUATION REPORT (continued)

Tenancy Duration Profile

Year	Approximate Leased Area (sq.m)	% of total	No. of Tenancies	% of total
Less than 1 year	3,102	3	27	5
More than 1 year and up to 2 years	4,198	4	62	12
More than 2 year and up to 3 years	15,501	17	138	26
More than 3 year and up to 4 years	19,737	21	138	26
More than 4 year and up to 5 years	18,050	19	85	16
More than 5 years	32,995	35	80	15
Total:	93,584	100	530	100

6. We have prepared our valuation based on the following assumptions:

- (i) the Company has no building ownership for portion of the Property in Basement Level 2 with a total gross floor area of approximately 10,876.22 sq.m, which is designated for civil defense use. The Company has the legal and beneficially right to use and manage the mentioned area;
- (ii) apart from the aforesaid area in Note 6(i), the Property has a proper legal title;
- (iii) all land premium and costs of resettlement and public utilities services have been fully settled;
- (iv) the design and construction of the Property are in compliance with the local planning regulations and have been approved by the relevant government authorities; and
- (v) the Property can be freely disposed of to local or overseas purchasers.

7. As advised by the Company, the revenue of the parking space is not included in the revenue of the Company. It is obtained by the building management company who will bear the operating cost of the parking space. So the rent income from the car parking space has not been taken into account under the income approach in arriving at the market value of the Property.

8. Market Overview

Huizhou City is located in the southeast of Guangdong Province, China. It has a residential population of approximately 2.83 million in 2024, within a total area of approximately 11,347 sq.km. The nominal Gross Domestic Product (GDP) of Huizhou was approximately RMB564 billion in 2023, rising by 5.6% year-on-year.

The Property is located in Jiangbei of Huicheng District, which is the central business district (CBD) of Huizhou. Government offices, high-end residential buildings, 5-star hotels, landmark office buildings, shopping malls, and community facilities such as gymnasiums, convention centers, museums, and libraries are available within the area.

Jiangbei CBD accommodates most of the mid-to-high-end shopping malls in the city, of which Kaisa Plaza and Huamao Place are the major ones. Kaisa Plaza opened in 2013 with an approximate area of 120,000 sq.m for the commercial portion. Huamao Place, the Property, opened in 2011 and is located at the center of Jiangbei CBD.



VALUATION REPORT (continued)

The Directors
Spring Asset Management Limited
(as manager of Spring Real Estate Investment Trust)
Room 2602, 26/F, LHT Tower
31 Queen's Road Central
Central
Hong Kong

DB Trustees (Hong Kong) Limited
(as trustee of Spring Real Estate Investment Trust)
60/F, International Commerce Centre
1 Austin Road West
Kowloon
Hong Kong

21 March 2025

Dear Sirs

Valuation of 83 properties located in the United Kingdom (the "Properties")

In accordance with your instructions for us to value the property interests held by Hawkeye Properties 501 and exhibited to us by Spring Asset Management Limited (the "**Manager**") in the United Kingdom (the "**UK**"), we confirm that we have carried out site inspection, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market values of the Properties as at 31 December 2024 (the "**Date of Valuation**").

BASIS OF VALUATION

Market Value is defined within "The HKIS Valuation Standards 2020" issued by HKIS and "The RICS Valuation – Global Standards" issued by RICS as:

"The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."

"the estimated exchange price of an asset without regard to the seller's costs of sale or the buyer's costs of purchase and without adjustment for any taxes payable by either party as a direct result of the transaction."

Market value is the most probable price reasonably obtainable in the market on the valuation date in keeping with the market value definition. It is the best price reasonably obtainable by the seller and the most advantageous price reasonably obtainable by the buyer. This estimate specifically excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangements, special considerations or concessions granted by anyone associated with the sale, or any element of value available only to a specific owner or purchaser.

VALUATION METHODOLOGY

Our valuation has been undertaken using appropriate valuation methodology and our professional judgement. We have adopted Income Approach – Term and Reversion Method and cross-checked the valuation by Market Approach.

Income Approach – Term and Reversion Method is a valuation methodology by reference to the capacity of a property to generate benefits (i.e. usually the monetary benefits of income and reversion) and convert these benefits into an indication of present value. It is based on the premise that an investor uses the income capability of an investment as a measure of value. All the things being equal, the basic premise is that the higher the income, the higher the value. The income from a property is usually annual operating income or pre-tax cash flow. The conversion of income into an expression of market value is known as the capitalization process, which is to convert estimated annual income expectancy into an indication of value either by dividing the income estimate by an appropriate yield rate or by multiplying the income estimate by an appropriate factor.

For cross-checking purpose, we have adopted the Market Approach. In adopting the Market Approach, we have made reference to the recent market sales evidence which is available in the market. Appropriate adjustments have been made in our valuation to reflect the differences in the characteristics between the Property and the comparable properties such as location, size, age, condition and quality in arriving at our opinion of the market value.

TITLE DOCUMENTS AND ENCUMBRANCES

We have not been provided with any Land Registry entries/Title documents/Report of Title of the Properties. We have relied on the information given by the Manager and its legal advisers regarding the title and other legal matters relating to the Properties. We understand that 62 of the Properties are held freehold (known as 'heritable interest' in Scotland), with the remaining 21 held under long leasehold. In the absence of any indication to the contrary, we have provided our assessments on the assumption that the freeholds/heritable interests are held by the existing owner based upon good and marketable Title and that there are no covenants or restrictions that have the potential to impact upon the value of the Properties. With respect to the long leasehold assets, we have not been provided with copy leases but have provided our assessments based on summary information (including rents, rent review pattern and unexpired lease term). We have again assumed that there are no onerous lease covenants that have the potential to impact upon value.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on any of the Properties nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the Properties are free from encumbrances, restrictions and outgoings of any onerous nature which could affect their values.

SOURCE OF INFORMATION

We have relied on a considerable extent on the information given by the Manager and the reports on the title to the Properties from the legal advisers of the Manager. We have no reason to doubt the truth and accuracy of the information provided to us by the Manager and/or the legal advisers of the Manager which is material to the valuation. We have accepted advice given by the Manager on such matters as planning approvals or statutory notices, easements, tenure, ownership, completion dates of buildings, particulars of occupancy, tenancy details, floor areas and all other relevant matters. Unless otherwise stated, dimensions, measurements and areas included in the valuation report are based on information contained in the documents provided to us and are therefore only approximations. We have not been able to carry out on-site measurements to verify the correctness of the floor areas of the Properties and we have assumed that the floor areas shown on the documents handed to us are correct. We were also advised by the Manager that no material facts have been omitted from the information provided.

The site areas are taken from Promap and are set out in the Property Description attached to the valuation report. We have been provided with floor areas, understood to be on a Gross Internal Area (GIA) basis, from measured surveys undertaken by Plowman Craven.

INSPECTION AND MEASUREMENT

We have inspected the exterior, and where possible, the interior of the Properties in April, May, July, August, September, October, November, December 2024 by Adam Chapman, Bobbi Sandhu, Connor Shaw, Ed Price, Pav Panesar, Tom Rigg, Tom Poynton and Will Herrmann. During the course of our inspection, we did not note any serious defects. However, no structural survey has been made and we are therefore unable to report as to whether the Properties are not free of rot, infestation or any other structural defects. Our valuation is based on the assumption that these aspects are satisfactory. Unless otherwise stated, we have not been able to carry out on-site measurement to verify the site and floor areas of the Properties and we have assumed that the areas shown on the copies of the document handed to us are correct. No tests were carried out on any of the services.

REMARKS

Knight Frank has prepared the valuation based on the information and data available to us as at the valuation date. While the current market is influenced by various policies and regulations, increased global conflicts could add further fluctuations in real estate market. It must be recognised that enactment of emergency measures, changes in mortgage requirements or international tensions could be immediate and have sweeping impact on the real estate market apart from typical market variations. It should therefore be noted that any market violation, policy, geopolitical and social changes or other unexpected incidents after the valuation date may affect the value of the Properties.

In preparing our valuation report, we have complied with the Chapter 6.8 of the Real Estate Investment Trusts (the “**REIT Code**”) issued by the Securities and Futures Commission of Hong Kong, the International Valuation Standards issued by International Valuation Standards Council and RICS Valuation – Global Standards 2017: UK national supplement. We confirm that we are independent of the Manager, the trustee and any of the significant shareholders of the scheme within the meaning of Chapter 6.5 of the REIT Code.

As advised by the Manager, the owner of the Properties is required to pay UK income tax on its net rental income at the rate of 19% and is required to account for UK VAT on rent received in respect of the Properties in relation to which an option to tax has been exercised. Apart from the taxes mentioned, there is no other significant overseas taxes may be charged in respect of the Properties.

ENVIRONMENTAL ISSUES

We are not environmental specialists and therefore we have not carried out any scientific investigations of sites or buildings to establish the existence or otherwise of any environmental contamination, nor have we undertaken searches of public archives to seek evidence of past activities that might identify potential for contamination. In the absence of appropriate investigations and where there is no apparent reason to suspect potential for contamination, our valuation is prepared on the assumption that the Properties are unaffected. Where contamination is suspected or confirmed, but adequate investigation has not been carried out and made available to us, then the valuation will be qualified.

CURRENCY

Unless otherwise stated, the currency adopted in this report is in British Pounds.

Our executive summary and valuation report are attached.

Yours faithfully
For and on behalf of
Knight Frank Petty Limited

Reviewed (but not undertaken) by:

Gary Lau

MHKIS MRICS RPS(GP) RICS Registered Valuer

*Senior Director
Valuation & Advisory*

Cyrus Fong

FRICS FHKIS RPS(GP) MCIREA RICS

*Registered Valuer
Executive Director
Head of Valuation & Advisory, Greater China*

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VALUATION REPORT (continued)

EXECUTIVE SUMMARY

Property	The subject portfolio comprises 83 properties leased to Kwik-Fit (GB) Limited. The Properties are situated across the UK, within England, Scotland and Wales.
Site Areas	The site areas are taken from Promap and are set out in the Property Description.
Floor Areas	We have been provided with floor areas, understood to be on a Gross Internal Area (GIA) basis, from measured surveys undertaken by Plowman Craven. Individual floor areas are detailed within the Property Description.
Date of Valuation	31 December 2024
Valuation Methodology	Income Approach and Market Approach (for cross-checking)
Market Value in Existing State	£ 71,154,000

VALUATION REPORT (continued)

VALUATION REPORT

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 31 December 2024
83 properties located in the United Kingdom	<p>The Properties comprise 83 properties leased to Kwik-Fit (GB) Limited ("Kwik-Fit"). The 83 properties are situated across the UK, within England, Scotland and Wales with detailed addresses listed in the Property Description attached herewith.</p> <p>The Properties have a total gross internal area (GIA) of approximately 499,886 sq ft. Details of the Properties are listed in the Property Description attached herewith.</p> <p>We understand that 62 of the Properties are held freehold (known as 'heritable interest' in Scotland), with the remaining 21 held, partly or wholly, under long leasehold.</p>	<p>We have established that most of the Properties are trading as Kwik-Fit servicing centres; the remainder are trading under different brands either due to subsidiary trading names or following partial or complete underletting.</p> <p><i>(Please refer to the Property Description attached for details.)</i></p>	<p>£ 71,154,000 (SEVENTY ONE MILLION ONE HUNDRED AND FIFTY FOUR THOUSAND BRITISH POUNDS)</p> <p><i>(Please refer to the Property Description attached for details)</i></p>

Notes:

1. According to the information provided by the Manager, the 83 properties are leased to Kwik-Fit (GB) Limited for terms expiring on 19 March 2032. The aggregate annual market rent of the 83 properties is approximately £ 4,684,300.
2. The tenant covenants are to keep the premises in good and substantial repair and condition. The tenant is entitled to sublet the whole or part only of the properties with the prior written consent of the landlord.

VALUATION REPORT (continued)

3. Our analysis of the existing tenancy profile according to the tenancy information provided by the Company is set out below:

Occupancy Profile

Type	Approximate Gross Internal Area (sq ft)	% of total
Leased	499,886	100.0
Vacant	0	0
Total:	499,886	100.0

Tenancy Expiry Profile

Year	Approximate Leased Gross Internal Area (sq ft)	% of total	No. of Tenancies	% of total
2032	499,886	100.0	83	100.0
Total:	499,886	100.0	83	100.0

Tenancy Duration Profile

Year	Approximate Leased Gross Internal Area (sq ft)	% of total	No. of Tenancies	% of total
About 25 years	499,886	100.0	83	100.0
Total:	499,886	100.0	83	100.0

PROPERTY DESCRIPTION

Ref	Address	Postcode	GIA (sq ft)	Tenure	Site Area (sq ft)	Market Rent (£) (Approx.)	Lease Start	Lease End	Net Initial Yield	Market Value (£)
1	ALLOA, Clackmannan Road Brief description:	FK10 1RR	8,879	Freehold	1,200	60,000	20/03/2007	19/03/2032	6.80%	836,000
The property comprises a detached single storey steel framed commercial unit with painted render with cladding to external elevations under a double pitched roof which has been re-clad to remove the corrugated asbestos sheeting. The accommodation includes a reception, workshop with six service bays, MOT office, tyre store (within a separate bay adjacent to the workshop), stores, staffroom, wash room and customer and staff WC's. Externally a concrete surfaced car park fronts the property and has capacity for approximately seven vehicles. Asbestos containing material was present within the boarded ceiling of the main workshop store.										
2	ALTRINCHAM, 1-3 Church Street Brief description:	WA14 4DB	8,529	Freehold	1,500	83,000	20/03/2007	19/03/2032	5.75%	1,364,000
Detached brick built unit of steel-portal framed construction. Ground floor accommodation includes a welcoming reception area, a 3-bay workshop, staffroom and toilets. Externally there are 14 car parking spaces. The site enjoys good prominence.										
3	AYR, 38 Fort Street Brief description:	KA7 1DE	10,369	Freehold	900	41,000	20/03/2007	19/03/2032	6.30%	627,000
The property comprises a terraced single storey steel framed commercial unit of varying construction techniques under a double pitched roof. The layout of the building is T-shaped to fit into the surrounding built environment. The premises trade as Tyre City. The accommodation includes a number of interconnecting units which provide parking accommodation (9 parking spaces), reception, workshop with six service bays, tyre store (within the workshop), office, store, staffroom and staff WC's. Additional on street metered parking is also available. During our inspection it was noted that the subject property was in a poor state of repair.										
4	AYR, 22/26 Maybole Road Brief description:	KA7 2PZ	3,970	Freehold	1,600	44,000	20/03/2007	19/03/2032	5.85%	710,000
The property comprises a detached single storey commercial unit of steel portal frame construction with brick and block infill walls with profile cladding above under a double pitched roof. The accommodation includes a reception, workshop with three bays (five service bays), tyre store (within the workshop), store, staffroom and customer and staff WC's. Externally a relatively large tarmacadam surfaced car park is to the front and south of the property with capacity for approximately 20 vehicles. A telecoms mast is situated to the southern edge of the site.										
5	BISHOP AUCKLAND, Cockton Hill Road Brief description:	DL14 6JN	4,962	Leasehold	800	—	27/07/2007	19/03/2032	—	—
The property comprises a compact and well-presented modern detached two-storey steel portal frame unit, with brick and block elevations beneath a dual pitched tiled roof. The accommodation is mostly to ground floor level and includes a small reception, a five-bay workshop, tyre store, with further tyre storage, staffroom and staff WC's to the first floor. Externally there is a small car park with capacity for approximately ten vehicles.										
6	BLYTH, Cowpen Road Brief description:	NE24 5TT	5,707	Freehold	2,100	60,000	20/03/2007	19/03/2032	6.40%	884,000
The property comprises a modern detached steel portal frame unit with part brick and block and part profiled panelled elevations beneath a pitched profiled metal panelled roof. The accommodation is situated at ground floor level and includes a six bay workshop, tyre store, paint store, staffroom and customer/staff WC's. All areas are in relatively good cosmetic condition. Externally there is a generous car park with capacity for approximately 18 vehicles.										

VALUATION REPORT (continued)

Ref	Address	Postcode	GIA (sq ft)	Tenure	Site Area (sq ft)	Market Rent (£) (Approx.)	Lease Start	Lease End	Net Initial Yield	Market Value (£)
7	BRIDGWATER, 48-54 St John's Street Brief description:	TA6 5HY	8,603	Freehold	1,200	64,000	20/03/2007	19/03/2032	6.55%	923,000
This is a detached and refurbished property, comprising ground and first floor elements. The construction comprises traditional brick and steel portal frame, beneath a pitched roof structure. Ground floor includes 8 workshop bays, tyre stores, customer and staff WCs and a staffroom. There is a further tyre store at first floor level. Externally there is a car park with capacity for 10 vehicles.										
8	BRIDLINGTON, 32-36 St Johns Street Brief description:	YO16 7JS	15,514	Freehold	2,700	116,000	20/03/2007	19/03/2032	6.80%	1,606,000
The property comprises two adjoining single storey units, both of brick and block construction with multi-pitch steel-framed, corrugated sheet roofing with intermittent translucent panels. The Kwik Fit accommodation is situated at ground floor level and includes reception area, a six bay workshop, tyre store, staffroom and customer/staff WCs. The rear unit – formerly occupied as a gym but vacant for at least the last ten years – is a very dilapidated condition with significant works required to bring it back into acceptable condition. Externally there is a large forecourt with parking for approximately 20 vehicles.										
9	BURNLEY, Caldervale Road Brief description:	BB11 1BS	3,489	Leasehold	1,200	32,000	20/03/2007	19/03/2032	6.15%	504,000
The unit comprises a detached brick built unit of steel-portal framed construction beneath a pitched roof. Ground floor accommodation includes a welcoming reception area, 6-bay workshop, staffroom and toilets. Externally there is a good amount of parking provision with approximately 23 spaces. The site enjoys very good prominence.										
10	CARMARTHEN, Pensarn Road Brief description:	SA31 2BS	4,895	Freehold	1,000	52,000	20/03/2007	19/03/2032	6.90%	720,000
The property comprises a detached purpose built unit of steel portal frame construction, with a distinctive arched roof. The accommodation is entirely at ground floor level, comprising a reception area, 5 bay workshop, tyre stores, staffroom and staff/customer WCs. Externally there is a spacious car park with capacity for approximately 12 vehicles.										
11	CASTLEFORD, 92 Bridge Street Brief description:	WF10 4LA	3,595	Freehold	600	26,000	20/03/2007	19/03/2032	5.85%	427,000
The property comprises a single storey unit of block construction under a part pitched and part flat roof. The accommodation is situated at ground floor level and includes two workshops with a total of five bays, tyre store, staffroom and customer/staff WCs. The internal areas are generally in need of cosmetic update but are otherwise functional for its use. Externally there is a small car park with capacity for five cars and two marked disabled spaces.										
12	CHAPEL ALLERTON, 232 Harrogate Road Brief description:	LS7 4QD	12,358	Freehold	1,900	111,000	20/03/2007	19/03/2032	5.25%	1,993,000
The property comprises two adjoining units of similar brick and block construction beneath largely pitched steel framed profiled metal panelled roof, with part flat roof to the smaller unit (formerly sublet to Majestic Wine). The accommodation is situated at ground floor level and includes seven bays, inspection pit, tyre storage, staffroom and customer/staff WCs. Externally there are two parking areas with capacity for approximately 12 vehicles.										
13	CHELMSFORD, 103 New London Road Brief description:	CM2 0PP	20,922	Freehold	2,400	214,000	20/03/2007	19/03/2032	4.75%	4,237,000
The property comprises an extended, refurbished and very impressive Kwik-Fit Plus facility. The unit is formed of a double width commercial building, having been extended to the north to provide a high quality operation and one of the best examples in the Kwik-Fit UK network. There are 13 service bays in addition to internal parking bays as well as a small external car park.										

VALUATION REPORT (continued)

Ref	Address	Postcode	GIA (sq ft)	Tenure	Site Area (sq ft)	Market Rent (£) (Approx.)	Lease Start	Lease End	Net Initial Yield	Market Value (£)
14	CLEVEDON, 119-120 Kern Road Brief description:	BS21 6JE	2,562	Freehold	1,200	30,000	20/03/2007	19/03/2032	6.90%	418,000
The property comprises a detached two storey unit of traditional brick construction, trading as Kwik-Fit. Ground floor accommodation includes a reception area along with 3 bay workshop, tyre stores, staff/customer WCs and staffroom. Ancillary offices and stores are situated on the first floor, although we were unable to inspect this area as it has been blocked off and is not utilised by the tenant. The external area is spacious with car parking for approximately 17 vehicles.										
15	COATBRIDGE, 320 Main Street Brief description:	ML5 3RX	4,085	Freehold	1,300	37,000	20/03/2007	19/03/2032	5.75%	609,000
The property comprises a detached single storey steel framed commercial unit with infill blockwork walls under a pitched and hipped tiled roof. The accommodation includes a reception, workshop with three bays (five service bays), tyre store (within the workshop), store, staffroom and customer and staff WCs. Externally a tarmacadam surfaced car park fronting the property has capacity for approximately 15 vehicles.										
16	CONGLETON, 46A West Road Brief description:	CW12 4EU	4,275	Freehold	700	36,000	20/03/2007	19/03/2032	5.75%	602,000
The unit comprises a brick built unit of concrete-framed construction beneath a pitched roof. Ground floor accommodation includes a dated reception area, workshop, staffroom and toilets. Externally there is limited parking provision. The site enjoys very good prominence.										
17	CROYDON, 3 Mitcham Road Brief description:	CR0 3RU	4,393	Freehold	1,300	82,000	20/03/2007	19/03/2032	4.30%	1,788,000
The property comprises a detached purpose built Kwik Fit of steel portal frame construction with brick elevations and a pitched roof. Internally in addition to the five bay workshop (including MOT) there is a reception area, tyre store and ancillary accommodation. Externally, there are 12 parking spaces arranged at the front of the property with the nine spaces along the side. At the time of inspection the latter spaces were being occupied by the McCarthy Cars business, which has a workshop behind the rear boundary of the property and appears to have a right of way over the subject property.										
18	DONCASTER, Wheatley Hall Road Brief description:	DN2 4LP	2,988	Leasehold	900	21,000	20/03/2007	19/03/2032	7.00%	289,000
The property comprises a detached single storey steel framed commercial unit with brick and block infill walls under a corrugated flat roof. The accommodation includes a reception, workshop with six bays (six service bays), office, tyre store (within the workshop), staffroom and customer and staff WCs. Externally a predominantly tarmacadam surfaced car park fronts and is to the west of the property and has capacity for approximately 15 vehicles.										
19	DUMFRIES, 40 Laurieknowe Road Brief description:	DG2 7DA	2,168	Freehold	400	17,000	20/03/2007	19/03/2032	7.05%	234,000
The property comprises a semi-detached single storey steel framed commercial unit with brick/block/natural stone infill walls under a double pitched roof. The accommodation includes a reception (within single storey side offshoot), workshop with three service bays, tyre stores (within the workshop and mezzanine level), store, staffroom and customer WC. Externally a small concrete surfaced car park fronts the property with capacity for approximately five vehicles.										
20	EDINBURGH, 69B Saughton Road North Brief description:	EH12 7JB	3,410	Freehold	1,100	43,000	20/03/2007	19/03/2032	5.50%	736,000
The unit is single storey with brick elevations beneath a pitched roof encompassing a large roof light. The accommodation is well presented and includes reception area, workshop, staffroom and toilets. Externally there is average parking provision with approximately 13 spaces.										

VALUATION REPORT (continued)

Ref	Address	Postcode	GIA (sq ft)	Tenure	Site Area (sq ft)	Market Rent (£) (Approx.)	Lease Start	Lease End	Net Initial Yield	Market Value (£)
21	EDINBURGH, 19 Corstorphine Road Brief description:	EH12 6DD The unit is part single storey and part two storey with brick elevations beneath a flat roof. The accommodation is well presented and includes reception area, 7-bay workshop, staffroom and toilets. At first floor is office accommodation and a boardroom. Externally there is average parking provision with approximately 10 spaces.	7,590	Freehold	900	89,000	20/03/2007	19/03/2032	5.25%	1,595,000
22	EDINBURGH, 81/91 Dundee Street Brief description:	EH11 1AW The subject unit is occupied by O'Hare & McGovern who are the contractors for the build of the school. The incumbent has installed partitioning within the unit. The unit is predominantly single storey (small office at first floor) and of steel frame construction beneath a pitched roof. The accommodation includes office, workshops, staffroom and toilets.	4,466	Leasehold	1,600	52,000	20/03/2007	19/03/2032	5.65%	869,000
23	EDINBURGH, 107/109 Dundee Street Brief description:	EH11 1AW Road closed at time of inspection to facilitate building of new school nearby. The unit comprises an impressive facility. It is single storey and the accommodation includes office, two workshops, staffroom and toilets. There is good externally parking provision.	9,628	Leasehold	800	107,000	20/03/2007	19/03/2032	5.40%	1,873,000
24	ELLESMERE PORT, 116 Whitby Road Brief description:	CH65 0AA The property comprises a detached, single storey unit of brick and steel frame construction under a pitched roof. Externally, there are 10 parking spaces, and internally the accommodation comprises a five bay workshop (including MOT), reception incorporating WC and staff facilities.	4,490	Freehold	900	39,000	20/03/2007	19/03/2032	5.65%	656,000
25	ELTHAM, 727 Sidcup Road Brief description:	SE9 3AQ The property comprises a concrete framed building with brick elevations and a pitched roof arranged over ground and basement levels. At ground floor level is a customer reception and five bay workshop. The basement is a tyre and parts storage area. Externally, there are six parking spaces arranged to the front of the building. At the rear of the property (accessed via a fire escape from the basement or externally over land occupied by Ford) is a small fenced area which is not being utilised and has been used for the storage of old cars and equipment.	4,723	Leasehold	600	54,000	20/03/2007	19/03/2032	6.55%	777,000
26	FORFAR, Queenswell Road Brief description:	DD8 3JA The property comprises a detached single storey steel framed commercial unit with brick and block infill walls with cladding under a double pitched roof. The accommodation includes a reception, workshop with four bays (five service bays), MOT office, tyre store (within the workshop), store, staffroom and customer WC's. Externally a tarmacadam surfaced car park fronts and is to the east of the property and has capacity for approximately 20 vehicles. Due to weather conditions we were unable to count car parking spaces and so have assumed that the 20 car parking spaces which we have been notified of is correct.	2,875	Freehold	1,090	27,000	20/03/2007	19/03/2032	6.55%	395,000
27	GLASGOW, 381 Pollokshaws Road Brief description:	G41 1QZ The property comprises a detached single storey steel framed commercial unit with brick infill walls with cladding above under a slightly pitched roof. The accommodation includes a reception, workshop with five bays (eight service bays), tyre store (within the workshop), workshop office, staffroom and customer and staff WC's. Externally a tarmacadam surfaced car park has capacity for approximately 12 vehicles. The property appears to have been recently refurbished to a Kwik Fit Premier standard.	4,999	Freehold	2,100	52,000	20/03/2007	19/03/2032	5.25%	938,000

VALUATION REPORT (continued)

Ref	Address	Postcode	GIA (sq ft)	Tenure	Site Area (sq ft)	Market Rent (£) (Approx.)	Lease Start	Lease End	Net Initial Yield	Market Value (£)
28	GLENROTHES, Fullerton Road Brief description:	KY7 5QR The unit is single storey with brick elevations beneath a pitched roof. The accommodation is well presented and includes reception area, workshop, staffroom and toilets. Externally there is a large parking area with approximately 17 car parking spaces.	4,500	Freehold	200	52,000	20/03/2007	19/03/2032	6.40%	774,000
29	GOOLE, 142-148 Boothferry Road Brief description:	DN14 6AG The property comprises a detached single storey steel portal framed commercial unit with brick infill walls under a double pitched roof. The accommodation includes a reception, workshop with three bays (four service bays), tyre store (within the workshop), staffroom and customer and staff WC's. Externally a tarmacadam surfaced car park fronts and is to the south of the property and has capacity for approximately 15 vehicles.	4,082	Freehold	1,200	38,000	20/03/2007	19/03/2032	6.65%	545,000
30	GREAT YARMOUTH, 90 North Quay Brief description:	NR30 1JT The property comprises a detached mainly single storey unit with a small first floor which has brick and glazed elevations. Internally, there is a reception area, four bay workshop and tyre store. The first floor comprises a timber floor tyre storage area.	5,314	Freehold	700	58,000	20/03/2007	19/03/2032	7.15%	775,000
31	HELENSBURGH, 3 Charlotte Street Brief description:	G84 7PH The property comprises a semi-detached single storey steel framed commercial unit with part painted/part unpainted rendered elevations under a double pitched roof. The accommodation includes a reception, workshop with two bays one of which was not in use (four service bays), staffroom and customer WC's. Tyre stores are provided within the workshop and on a mezzanine level. No parking is demised to the property albeit on-street parking is available in the vicinity.	2,950	Freehold	300	35,000	20/03/2007	19/03/2032	7.60%	440,000
32	HORNCURCH, Ardleigh Green Road Brief description:	RM11 2ST The property comprises a detached single storey unit of brick and steel portal frame construction together with a multi-pitched roof structure. The accommodation is situated entirely at ground floor level and includes a 4 bay workshop, reception, tyre stores, staffroom and customer/staff WC's. There is a small car park with room for 7 vehicles.	3,641	Freehold	800	56,000	20/03/2007	19/03/2032	4.85%	1,099,000
33	HUDDERSFIELD, Lockwood Road Brief description:	HD1 3QU The property comprises a detached part two storey part single storey steel framed commercial unit with brick and block infill walls under a flat roof. The accommodation includes a reception, workshop with six bays (six service bays), MOT office, staffroom and customer and staff WC's to ground floor level. A tyre store is to the first floor. Externally a tarmacadam surfaced car park is to the rear (east) of the property and has capacity for approximately five vehicles. Parking capacity could be increased through the creation of additional parking spaces on the property's Lockwood Road (A616) frontage.	5,206	Freehold	600	35,000	20/03/2007	19/03/2032	5.85%	569,000
34	HYDE, 26-28 Manchester Road Brief description:	SK14 2BD The unit comprises a two storey end terrace brick built unit with flat roof. Ground floor accommodation includes a dated reception area, 6-bay workshop, staffroom and toilets. At first floor is a tyre store. The building is poorly maintained but the parking provision is good.	5,134	Freehold	700	40,000	20/03/2007	19/03/2032	6.55%	582,000

VALUATION REPORT (continued)

Ref	Address	Postcode	GIA (sq ft)	Tenure	Site Area (sq ft)	Market Rent (£) (Approx.)	Lease Start	Lease End	Net Initial Yield	Market Value (£)
35	KEIGHLEY, Worthway Brief description:	BD21 5ET The property comprises a detached single storey steel framed commercial unit with brick and block infill walls with cladding above to part under a pitched roof. The accommodation includes a reception, workshop with four bays (five service bays), MOT office, office, tyre store (within the workshop), staffroom and customer and staff WC's. Externally a concrete surfaced car park fronts the property and has capacity for approximately 11 vehicles.	3,576	Leasehold	800	34,000	20/03/2007	19/03/2032	7.55%	426,000
36	KEYNSHAM, Ashton Way Brief description:	BS31 2JF The property comprises a detached purpose-built unit of steel portal frame construction, with block elevations beneath a pitched roof. The accommodation is at ground floor level and includes a reception area, 4 bay workshop, tyre store, staffroom and customer/staff WC's. Externally there is a small car park with capacity for 7 vehicles.	3,214	Freehold	800	34,000	20/03/2007	19/03/2032	5.85%	568,000
37	KIDDERMINSTER, 20 Churchfields Brief description:	DY10 2JL The property comprises a detached steel portal frame unit with brick elevations beneath a pitched roof. The accommodation is situated principally at ground floor level and includes a 6 bay workshop, tyre store, staffroom and customer/staff WC's. A small first floor staff room and WC are excluded from the measured survey referred to below. Externally there is a small car park with capacity for approximately 8 vehicles.	3,849	Leasehold	900	29,000	20/03/2007	19/03/2032	7.30%	378,000
38	KILMARNOCK, 32/36 Low Glencairn Street Brief description:	KA1 4DD The property comprises a detached single storey commercial unit of steel frame construction with brick and block infill walls with profile cladding above under a double pitched roof. The accommodation includes a reception, workshop with three bays (six service bays), tyre store (within the workshop), MOT office, workshop office, store, staffroom and customer and staff WC's. Externally a tarmacadam surfaced car park to the front of the property has capacity for approximately 11 vehicles.	3,622	Freehold	900	55,000	20/03/2007	19/03/2032	6.50%	805,000
39	KIRKCALDY, 182 The Esplanade Brief description:	KY1 2AQ The unit is single storey with brick elevations beneath a flat roof. The accommodation is well presented and includes reception area, workshop, staffroom and toilets. Externally there is limited parking as the site is relatively compact.	5,818	Freehold	1,000	47,000	20/03/2007	19/03/2032	6.65%	671,000
40	LEVEN, The Promenade Brief description:	KY8 4PJ The unit is single storey and of concrete frame construction beneath a pitched roof. The accommodation is well presented and includes reception area, workshop, staffroom and toilets. Externally there are approximately 5 car parking spaces.	4,850	Freehold	700	38,000	20/03/2007	19/03/2032	7.00%	514,000
41	LINCOLN, 148-150 Newark Road Brief description:	LN5 8QJ The property comprises a brick constructed unit with brick and profile clad elevations with a parapet wall obscuring the roof. Internally, the property comprises a reception, tyre store and ancillary areas, and incorporates four workshop bays and an MOT bay. A small area of the building (extending to perhaps 100 sq ft) was inaccessible at the time of our inspection owing to the presence of asbestos. We reviewed the asbestos register whilst on site (prepared by SW & MS Consulting, dated October 2013) and it was noted that four low risk asbestos containing materials were found. We understand from staff on site that the tenant is planning to remove the asbestos. Externally, there are nine parking bays.	4,819	Freehold	700	39,000	20/03/2007	19/03/2032	5.90%	626,000

VALUATION REPORT (continued)

Ref	Address	Postcode	GIA (sq ft)	Tenure	Site Area (sq ft)	Market Rent (£) (Approx.)	Lease Start	Lease End	Net Initial Yield	Market Value (£)
42	LIVERPOOL, 232 Aigburth Road Brief description:	L17 0BJ	4,095	Freehold	600	45,000	20/03/2007	19/03/2032	6.10%	708,000
The subject property is situated fronting and to the south of the A561 Aigburth Road, approximately four miles south east of central Liverpool. The immediate surroundings are principally residential in nature with commercial uses. A number of local businesses trade from shop fronts along Aigburth Road a short distance to the east.										
43	LLANDUDNO, Conway Road Brief description:	LL30 1DE	11,137	Leasehold	1,700	89,000	20/03/2007	19/03/2032	6.10%	1,369,000
The site comprises a single storey, purpose built fast fit centre, having a steel truss supported pitched roof. The building is branded as 'Kwik Fit Plus' and benefits from 22 car parking spaces. Internally, the property provides a reception, tyre storage area, staffroom, welfare facilities and a large workshop accommodating ten bays (including MOT).										
44	LOUGHBOROUGH, 24-29 The Rushes Brief description:	LE11 5BG	6,177	Freehold	2,300	75,000	20/03/2007	19/03/2032	5.65%	1,259,000
The property is a purpose built Kwik Fit having steel portal frame construction and brick and profile clad elevations. Internally there is a reception, tyre store and five workshop bays plus MOT. Externally, there are 40 parking spaces for the use of Kwik Fit. The site is shared with a Johnsons Dry Cleaners, who we understand occupy by way of a sub-lease from Kwik Fit, and occupy four parking spaces.										
45	MIDDLESBROUGH, 3 Lansdowne Road Brief description:	TS4 2LW	5,255	Freehold	1,300	79,000	20/03/2007	19/03/2032	5.85%	1,275,000
The property comprises a detached L-shaped unit of brick and block construction beneath a steel-framed pitched roof with skylights to its apex. The accommodation is mainly at ground floor level and includes a 4 bay workshop, two MOT bays, staffroom and customer WCs, with mezzanine tyre storage and ancillary staff rooms. It is in generally good cosmetic order with the latest branding and fit-out. Externally there is parking for approximately 13 vehicles.										
46	MONTROSE, 24 George Street Brief description:	DD10 8EW	2,726	Freehold	670	25,000	20/03/2007	19/03/2032	6.80%	351,000
The property comprises a detached single storey steel framed commercial unit with brick infill walls under a roof that was not visible from ground floor level. The accommodation includes a reception, workshop with two bays (two service bays), tyre store (within the workshop and an adjoining bay), store, staffroom and customer WCs. Externally a tarmacadam surfaced car park fronts the property and has capacity for approximately ten vehicles.										
47	MOTHERWELL, 99A Airbles Road Brief description:	ML1 2TJ	6,220	Freehold	600	56,000	20/03/2007	19/03/2032	5.85%	901,000
The property comprises a semi-detached single storey steel framed commercial unit with painted brick external elevations with cladding above under a part flat/part pitched roof. The accommodation includes a reception, workshop with three bays (six service bays), tyre store (within the workshop), MOT office, workshop office, staffroom and customer and staff WCs. Externally a sloping tarmacadam surfaced car park to the west of the property has capacity for approximately 11 vehicles. The property appears to have been recently refurbished to a Kwik Fit Premier standard.										

VALUATION REPORT (continued)

Ref	Address	Postcode	GIA (sq ft)	Tenure	Site Area (sq ft)	Market Rent (£) (Approx.)	Lease Start	Lease End	Net Initial Yield	Market Value (£)
48	NORTHWICH, Leicester Street Brief description:	CW9 5LQ	7,825	Freehold	700	63,000	20/03/2007	19/03/2032	6.25%	956,000
	The building is of brick and steel frame construction which is part single storey and part double storey, beneath a pitched roof. Ground floor accommodation includes a reception area, three separate workshops, staffroom and toilets. At first floor is ancillary accommodation. The site has good parking provision and has two access points.									
49	OBAN, Market Street Brief description:	PA34 4HR	5,134	Freehold	370	38,000	20/03/2007	19/03/2032	7.85%	470,000
	The property comprises a detached single storey steel framed commercial unit with painted rendered and brick infill walls under a double pitched roof. The accommodation includes a reception, workshop with single bay (four service bays), store, staffroom and customer WC's. A tyre store is provided on a mezzanine level. Externally no parking is provided albeit on street parking and a large free car park is available in the vicinity. Cracking was noted to various external walls (particularly the eastern elevation) and we would recommend that this is investigated and remedied by a chartered building surveyor.									
50	OLDHAM, Huddersfield Road Brief description:	OL1 3HR	4,411	Freehold	1,300	42,000	20/03/2007	19/03/2032	6.55%	605,000
	The property comprises a detached single storey steel portal framed commercial unit with brick and block infill walls with cladding above under a double pitched roof. The accommodation includes a reception, workshop with three bays (five service bays), MOT office, tyre store (within the workshop), store, staffroom and customer and staff WC's. Externally a tarmacadam surfaced car park fronts the property and has capacity for approximately 12 vehicles. An external storage container was also in use as a tyre store at the date of inspection.									
51	OLDHAM, Middleton Road/Lansdowne Road Brief description:	OL9 9EG	4,819	Leasehold	1,300	30,000	20/03/2007	19/03/2032	8.30%	350,000
	The property comprises a detached part two storey part single storey commercial unit with brick and rendered infill walls under a flat roof. The accommodation includes a reception, workshop with six bays (five service bays), MOT office, store, staffroom and customer and staff WC's. A tyre store is to the first floor. Externally a tarmacadam surfaced car park fronts the property and has capacity for approximately 11 vehicles. Two external storage containers were also positioned to the south of the property at the date of inspection and we understand that these were in use as tyre stores.									
52	OTLEY, Bondgate Brief description:	LS21 3AB	6,247	Leasehold	1,000	48,000	20/03/2007	19/03/2032	6.20%	742,000
	The property comprises a relatively dated detached single-storey steel frame unit with brick/block elevations, partially clad with local stone to lower elevations and profiled metal sheet to upper parts, beneath a pitched corrugated cement sheet roof. The accommodation is situated at ground floor level and includes small reception area, a four vehicle workshop, rolling road, tyre store, staffroom and customer/staff WC's. The unit is generally in average cosmetic order. Externally there is a small car park with capacity for approximately ten vehicles.									
53	PLYMOUTH, 125-129 Alexandra Road Brief description:	PL4 7EG	9,725	Freehold	2,500	78,000	20/03/2007	19/03/2032	5.75%	1,279,000
	The property comprises a detached single storey commercial unit of steel portal framed construction, utilising a pitched roof. The business trades as Kwik-Fit Plus, and the accommodation includes a 7 bay workshop, tyre stores, staffroom and customer/staff WC's. Externally there is a good sized car park with capacity for 17 vehicles.									

VALUATION REPORT (continued)

Ref	Address	Postcode	GIA (sq ft)	Tenure	Site Area (sq ft)	Market Rent (£) (Approx.)	Lease Start	Lease End	Net Initial Yield	Market Value (£)
54	PONTYPRIDD, Sardinia Road Brief description:	CF37 1BA	4,718	Freehold	1,400	43,000	20/03/2007	19/03/2032	6.90%	591,000
The property comprises a detached single storey commercial unit of steel portal framed construction, utilising a flat roof. The accommodation includes a 5 bay workshop, tyre stores, staffroom and customer/staff WCs. Externally there is a good sized car park with capacity for approximately 15 vehicles.										
55	PORTSMOUTH, 94 East Surrey Street Brief description:	P01 1JY	5,927	Freehold	900	63,000	20/03/2007	19/03/2032	5.95%	1,004,000
The property comprises a detached two storey unit with brick elevations and a parapet wall obscuring the roof. Internally, there is a reception, ancillary areas and a six bay workshop. At first floor level is a large tyre and parts store. Externally, there are eight parking spaces.										
56	PRESTON, Market Street Brief description:	PR1 2HP	14,643	Leasehold	2,000	71,000	20/03/2007	19/03/2032	9.05%	745,000
The property comprises a part one and part two storey unit formed of interconnecting buildings on a sloping site. The section operated by Kwik Fit is single storey and incorporates a reception, staff facilities, WC's and a rear tyre store in addition to the five bay workshop which also includes and MOT bay. To the left hand side of the Kwik Fit operation is a two storey building of traditional construction which is in need of comprehensive refurbishment or redevelopment, the majority of it being unfit for occupation. This section of the accommodation has effectively been closed off by the tenant and is not in use. Externally, there are 11 parking bays at the front of the site, with a roughly surfaced area at the rear on the upper portion of the site utilised for staff parking.										
57	RADCLIFFE, Bury Road Brief description:	M26 2UG	3,074	Leasehold	900	27,000	20/03/2007	19/03/2032	6.90%	371,000
The property is single-storey and of concrete frame and brick construction beneath a flat roof. The accommodation includes a reception area, workshop, staffroom and toilets. There is limited parking provision.										
58	RUTHERGLEN, 273 Main Street Brief description:	G73 1EE	4,952	Freehold	800	42,000	20/03/2007	19/03/2032	5.35%	754,000
The property comprises a detached two storey steel framed commercial unit with brick elevations under a flat roof. The accommodation includes a reception, workshop with three bays (five service bays), MOT office, store, staffroom and customer WC. To the first floor a tyre store, store, meeting room and staff WC are provided. Externally a tarmacadam surfaced car park fronting the property has capacity for approximately 11 vehicles. The property appears to have been recently refurbished to a Kwik Fit Premier standard.										
59	SHEFFIELD, 726 City Road Brief description:	S2 1GJ	4,391	Leasehold	1,200	45,000	20/03/2007	19/03/2032	8.30%	519,000
The property comprises a detached single storey steel portal framed commercial unit with brick and block infill walls with cladding above to part under a double pitched roof. The accommodation includes a reception, workshop with three bays (six service bays), MOT office, tyre store (within the workshop), staffroom and customer and staff WC's. Externally a tarmacadam surfaced car park fronts the property and has capacity for approximately 10 vehicles.										

VALUATION REPORT (continued)

Ref	Address	Postcode	GIA (sq ft)	Tenure	Site Area (sq ft)	Market Rent (£) (Approx.)	Lease Start	Lease End	Net Initial Yield	Market Value (£)
60	SHEFFIELD, Townhead Street Brief description:	S1 1YG	9,607	Leasehold	900	75,000	20/03/2007	19/03/2032	6.25%	1,137,000
At the time of our inspection, development works were being undertaken by the tenant to provide a Kwik Fit training centre. The property comprises a semi-detached commercial unit of steel framed construction with brick and block infill walls under a part pitched part flat roof. The accommodation includes a reception, workshop with two bays (six service bays), MOT office, tyre store (within the workshop), store, staffroom and customer and staff WC's. A first floor above the reception provides storage accommodation. Externally a small concrete surfaced car park fronts the property and has capacity for approximately eight vehicles.										
61	SHIPLEY, 68 Briggate Brief description:	BD17 7BT	4,834	Freehold	1,000	42,000	20/03/2007	19/03/2032	6.55%	611,000
The property comprises two split level light industrial buildings; to the front is a single bay workshop having a steel truss supported roof and comprising five workshop bays and an offset reception area. To the rear (accessed via stairs from the workshop or via a vehicle ramp to the side of the workshop) is a tyre storage area incorporating a small office mezzanine and an MOT bay.										
62	SKEGNESS, 50 Roman Bank Brief description:	PE25 2SP	7,343	Freehold	1,100	59,000	20/03/2007	19/03/2032	7.00%	801,000
The property comprises two split level light industrial buildings; to the front is a single bay workshop having a steel truss supported roof and comprising five workshop bays and an offset reception area. To the rear (accessed via stairs from the workshop or via a vehicle ramp to the side of the workshop) is a tyre storage area incorporating a small office mezzanine and an MOT bay.										
63	SOUTH CROYDON, 463 Brighton Road Brief description:	CR2 6EW	6,544	Freehold	1,800	126,000	20/03/2007	19/03/2032	4.25%	2,785,000
The property comprises a purpose built single storey steel framed building with a pitched roof and arranged in an 'L' shape. Internally, there is a reception area, tyre store, ancillary accommodation and an 11 bay workshop. Externally, there is the capacity to park up to 19 vehicles.										
64	SOUTHPORT, 8 Ash Street Brief description:	PR8 6JH	3,875	Freehold	500	26,000	20/03/2007	19/03/2032	5.90%	424,000
The property comprises a single storey unit having brick elevations and a steel truss supported pitched roof. The internal accommodation comprises a customer reception, tyre store, mezzanine storage and a three-bay workshop.										
65	STIRLING, 11 Burghmuir Road Brief description:	FK8 2DY	4,980	Freehold	1,000	58,000	20/03/2007	19/03/2032	5.85%	939,000
The property comprises a detached single storey steel framed commercial unit with painted rendered external elevations with profile cladding above under a double pitched roof. The accommodation includes a reception, workshop with four bays (six service bays), tyre store (within the workshop), store, staffroom and customer and staff WC's. Due to weather conditions we were unable to count car parking spaces and so have assumed that the 75 car parking spaces which we have been notified of is correct. Subsidence also appeared to be apparent to the corners of the building and we would recommend that this is investigated by a chartered building surveyor at the earliest opportunity.										

VALUATION REPORT (continued)

Ref	Address	Postcode	GIA (sq ft)	Tenure	Site Area (sq ft)	Market Rent (£) (Approx.)	Lease Start	Lease End	Net Initial Yield	Market Value (£)
66	STONEHAVEN, 110 Barclay Street Brief description:	AB39 2AP	5,998	Freehold	640	48,000	20/03/2007	19/03/2032	6.70%	681,000
	The property comprises a semi-detached single storey steel framed commercial unit with painted rendered and block infill walls under a roof that was not visible from ground floor level. The accommodation includes a reception, workshop with single bay with an additional bay that was not in use (four service bays), MOT office, tyre store (within the workshop), stores, staffroom and customer and staff WC's. Externally a very small concrete surfaced car park fronts the property and has capacity for approximately two vehicles. On street parking is however available in the vicinity.									
67	SUNDERLAND, Monk Street Brief description:	SR6 0BD	7,938	Freehold	1,000	56,000	20/03/2007	19/03/2032	5.85%	910,000
	The property comprises a detached part two- and part single--storey brick/block unit with brick elevations respectively beneath a part flat asphalt covered roof and part steel-framed pitched corrugated cement sheet roof to the workshop unit. The accommodation is mostly situated at ground floor level and includes a six bay workshop, customer waiting room and WCs. The first floor is in very basic cosmetic condition and used only for uncracked tyre storage. The property is in particular need of refurbishment inside and out and we understand it is scheduled to undergo improvement imminently.									
68	THORNBURY, 14 Mead Court Brief description:	BS 3 5 3 UW	3,579	Leasehold	700	29,000	20/03/2007	19/03/2032	6.90%	408,000
	The property comprises a detached, refurbished two storey commercial unit of steel portal framed construction, utilising a mono pitched roof. The accommodation includes a 4 bay workshop, tyre stores, staffroom and customer/staff WCs, together with first floor stores. Externally there is a car park with capacity for approximately 10 vehicles.									
69	TOTTENHAM, 32 Monument Way Brief description:	N17 9NX	5,451	Freehold	1,800	136,000	20/03/2007	19/03/2032	4.45%	2,877,000
	The property comprises a purpose built single storey building having a steel frame and a pitched roof. Internally, there is a reception area, tyre store, staff welfare facilities and an eight bay workshop. Parking is extensive, having 22 spaces arranged to the front and side of the site.									
70	TRURO, Treasewalls Road Brief description:	TR1 3PY	9,626	Freehold	4,100	83,000	20/03/2007	19/03/2032	7.60%	1,038,000
	The property comprises a detached single storey commercial unit of steel portal framed construction, utilising a pitched roof. The accommodation includes a 5 bay workshop, tyre stores, staffroom and customer/staff WCs. The Brandon Tool Hire unit comprises a trade counter, with reception area and stores. Externally there is a good sized car park with capacity for 18 vehicles, as well as yard space to the rear.									

VALUATION REPORT (continued)

Ref	Address	Postcode	GIA (sq ft)	Tenure	Site Area (sq ft)	Market Rent (£) (Approx.)	Lease Start	Lease End	Net Initial Yield	Market Value (£)
71	WARRINGTON, Priestley Street/Garibaldi Street Brief description:	WA5 1TE	5,721	Leasehold	500	40,000	20/03/2007	19/03/2032	7.50%	511,000
Single storey unit of concrete frame construction beneath a flat roof. The accommodation includes a welcoming reception area, well presented workshop, staffroom and toilets. Externally there are approximately 12 car parking spaces. The site enjoys good prominence. The unit has access from the rear.										
72	WIGAN, Wallgate Brief description:	WN5 0XG	10,236	Leasehold	4,900	87,000	20/03/2007	19/03/2032	5.95%	1,384,000
The property comprises a single storey steel portal framed building with brick elevations which has been split to accommodate Kwik-Fit (front section) and a third party occupier (rear section), the latter we assume occupy on a sub-lease from Kwik-Fit. We did not inspect the rear portion of the building (which was locked at the time of our inspection). The front section comprises customer reception, tyre store and a seven bay workshop. Externally, there is a large parking area capable of accommodating approximately 26 vehicles at the front, with a large service yard extending behind the rear section of the building.										
73	WORCESTER, 1 Carden Street, City Walls Brief description:	WR1 2AX	8,535	Leasehold	1,400	73,000	20/03/2007	19/03/2032	7.25%	949,000
The property comprises a detached single storey commercial unit of steel portal framed construction, utilising a pitched roof. The accommodation, which was refurbished in late 2016, includes an 8 bay workshop, tyre stores, staffroom and customer/staff WCs. Externally there is a good sized car park with capacity for 10 vehicles.										
74	YOKER, 2369-2375 Dumbarton Road Brief description:	G14 0NT	8,548	Freehold	1,000	64,000	20/03/2007	19/03/2032	6.15%	982,000
The property comprises a detached single storey steel framed commercial unit with painted brick and pebbledash external elevations under a double pitched roof. The accommodation includes a reception, two workshop bays (six service bays), MOT office, tyre store (within the workshop), store, staffroom and customer WCs. Externally a concrete surfaced car park fronts the property and has capacity for approximately six vehicles.										
75	GLOUCESTER, Unit 3 Northbrook Road Brief description:	GL4 3DP	16,814	Freehold	4,100	87,000	20/03/2007	19/03/2032	6.20%	1,320,000
The property comprises a converted industrial premises occupying part ground and part first floor accommodation. The construction utilises traditional brick elevations together with a steel frame, beneath pitched roof structures. The premises trade as Central Tyres, together with a former training centre for Kwik-Fit (hence there is now surplus space). The Central Tyres unit consists of reception area, 6 bay workshop, stores, WCs and staffroom, whilst the former Kwik-Fit training centre (which we were unable to inspect) is understood to provide a training area with a 2 bay workshop, stores, first floor offices and WCs. Externally there is a large car park with room for approximately 50 vehicles.										
76	STIRLING, 1 Whitehouse Road Brief description:	FK7 7SS	5,425	Freehold	2,000	40,000	20/03/2007	19/03/2032	6.90%	554,000
The property comprises a detached commercial unit with block and painted rendered external elevations under a predominantly pitched roof. The accommodation includes reception, workshop, store and WCs. Externally there is a surfaced car park with capacity for approximately 15 vehicles.										
77	BARRHEAD, 17 Cross Arthurie Street Brief description:	G78 1QY	3,856	Freehold	1,200	35,000	20/03/2007	19/03/2032	6.10%	551,000
The property comprises a detached single storey steel framed commercial unit with brick infill walls with painted render to external elevations under a double pitched roof. The accommodation includes a reception, workshop with three bays (four service bays), tyre store (within the workshop), MOT office, staffroom and customer WCs. Externally a tarmac surfaced car park is to the front and south of the property and has capacity for approximately eight vehicles.										

VALUATION REPORT (continued)

Ref	Address	Postcode	GIA (sq ft)	Tenure	Site Area (sq ft)	Market Rent (£) (Approx.)	Lease Start	Lease End	Net Initial Yield	Market Value (£)
78	BIRMINGHAM, 900/902 Coventry Road Brief description:	B10 0UA The property is a detached dated building which is part single storey and part two storey, with brick elevations. The accommodation includes a 4 bay workshop along with tyre store, WCs and additional storage at first floor level.	5,977	Leasehold	500	38,000	20/03/2007	19/03/2032	—	124,000
79	EDINBURGH, 40A Portobello Road Brief description:	EH8 7EH The unit is single storey with mainly brick elevations beneath a pitched roof. We were unable to inspect the property internally.	4,006	Freehold	1,200	46,000	20/03/2007	19/03/2032	6.10%	723,000
80	LICHFIELD, 8-9 Europa Way Brief description:	WS14 9TZ The property is a single mid-terrace unit of steel portal frame construction beneath a flat roof. The unit has been rebranded Tyre City. Accommodation includes reception, 4-bay workshop, tyre store and WCs.	1,835	Freehold	100	16,000	20/03/2007	19/03/2032	6.05%	254,000
81	NELSON, 130 Leeds Road Brief description:	BB9 9XB The building is of concrete frame construction which is part single storey and part double storey, beneath a flat roof. Ground floor accommodation includes a small dated reception area, workshop, staffroom and toilets. At first floor is a tyre store. The building is relatively dated and poorly maintained but the parking provision is good.	4,645	Leasehold	700	36,000	20/03/2007	19/03/2032	7.40%	470,000
82	THORNABY ON TEES, 212 Thornaby Road Brief description:	TS17 8AA The property comprises a well presented modern detached steel portal frame unit with brick/block elevations beneath a pitched profile metal pannelled roof. The accommodation includes a three bay workshop, tyre store, reception and WCs to ground floor. The first floor is mainly given over to tyre storage with staff ancillary rooms and goods lift to one end. Externally there is a small car park with capacity for approximately ten cars including two marked disabled spaces.	5,169	Freehold	800	42,000	20/03/2007	19/03/2032	5.95%	665,000
83	WESTON-SUPER-MARE, Winterstoke Road Brief description:	BS23 3YE The property comprises a detached, converted two storey unit of brick construction, utilising a flat roof. The accommodation includes a 3 bay workshop, tyre stores, staffroom and customer/staff WCs. Externally there is a small car park with capacity for 5 vehicles.	2,849	Freehold	300	32,000	20/03/2007	19/03/2032	6.80%	445,000
Aggregate/Average					499,886	4,684,300			5.94%	71,154,000



TRUSTEE'S REPORT

Spring Asset Management Limited
(in its capacity as the REIT Manager of Spring REIT)
Room 2602, 26/F,
LHT Tower,
31 Queen's Road Central,
Central, Hong Kong

Attention: Mr. Leung Kwok Hoe, Kevin

Dear Sirs,

Spring Real Estate Investment Trust

Annual Confirmation for the period from 1 January 2024 to 31 December 2024

We hereby confirm that, in our opinion, the Manager of Spring Real Estate Investment Trust ("Spring REIT") has, in all material respects, managed Spring REIT in accordance with the provisions of the Trust Deed dated 14 November 2013 (as amended from time to time) for the period from 1 January 2024 to 31 December 2024.

DB Trustees (Hong Kong) Limited

(in its capacity as trustee of Spring Real Estate Investment Trust)

Hong Kong, 24 March 2025

INDEPENDENT AUDITOR'S REPORT

TO THE UNITHOLDERS OF SPRING REAL ESTATE INVESTMENT TRUST

(a Hong Kong collective investment scheme authorised under section 104 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong))

OPINION

What we have audited

The consolidated financial statements of Spring Real Estate Investment Trust (the "Spring REIT") and its subsidiaries (together, the "Group"), which are set out on pages 170 to 218, comprise:

- the consolidated statement of financial position as at 31 December 2024;
- the consolidated income statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity and net assets attributable to the Unitholders for the year then ended;
- the consolidated statement of cash flows for the year then ended;
- the consolidated statement of distributions for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB").

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENT AUDITOR'S REPORT (continued)

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountant ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

A key audit matter identified in our audit is summarised as follows:

Key Audit Matter	How our audit addressed the Key Audit Matter
Valuation of Investment Properties	
Refer to notes 2(e), 4(a), 13 and 24 to the consolidated financial statements	We obtained an understanding of the management's internal control and assessment process of valuation of the investment properties and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors such as complexity, subjectivity, changes and susceptibility to management bias or fraud.
The valuation of the Group's investment properties is a key component of the net asset value attributable to the Unitholders and underpins the Group's result for the year. The value of investment properties totalled RMB11,902 million, with RMB11,252 million presented separately on the consolidated statement of financial position and RMB650 million included in assets classified as held for sale as at 31 December 2024. The fair value loss of investment properties for the year ended 31 December 2024 was RMB158 million.	We read the Valuer's reports which confirm that the valuation was prepared in accordance with the HKIS Valuation Standard, the RICS Valuation – Global Standards, and the REIT Code. We assessed the Valuer's competence, capabilities and objectivity by understanding the experience, reputation in field, professional certification and based on our previous experience of the valuer.
The valuation of the Group's investment properties is inherently subjective to, among other factors, the individual nature of the property, its location and the expected future rentals for that particular property.	
The valuation was carried out by a third party valuer (the "Valuer"). The Valuer was engaged by Spring Asset Management Limited (the "Manager" of Spring REIT) and the Trustee. The Valuer has considerable experience of the market in which the Group operates.	

INDEPENDENT AUDITOR'S REPORT (continued)

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>In determining investment properties' valuation, the Valuer adopted the income capitalisation approach cross-checked by the direct comparison approach where applicable. The Valuer took into account property-specific information such as the current tenancy agreements and rental income in the valuation process. The Valuer applies assumptions for capitalisation rate and market rent, which are influenced by the prevailing market yields and market transactions.</p> <p>The existence of significant estimation uncertainty on the key assumptions warrants specific audit focus in this area.</p>	<p>We checked on a sample basis on the data used by the Valuer from which the valuation was based upon. This data included key terms of lease agreements and rental income schedules which we agreed to appropriate supporting documentation.</p> <p>We involved our internal valuation expert in assessing valuation approaches (i.e. income capitalisation approach) and the key assumptions (i.e. capitalisation rate and base rent). We discussed with the Manager and the Valuer to understand the valuation approaches and to challenge the key assumptions adopted by the Manager and the Valuer. We compared the estimates and assumptions used by the Valuer against industry benchmarks and market transactions. We evaluated whether assumptions were appropriate in light of the evidence provided by the Valuer.</p> <p>We considered that the methodologies used in preparing the valuations were appropriate and key assumptions were supportable in light of available market evidence.</p>

OTHER INFORMATION

The Manager is responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT (continued)

RESPONSIBILITIES OF THE MANAGER AND THE AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Manager is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRSs issued by ISAB, and for such internal control as the Manager determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Manager is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

In addition, the Manager is required to ensure that the consolidated financial statements have been properly prepared in accordance with the relevant provisions of the the Trust Deed dated 14 November 2013, as amended by the First Supplemental Deed dated on 22 May 2015 and the First Amending and Restating Deed dated on 28 May 2021 and the second amending and restating deed on 20 September 2024 (the "Trust Deed"), and the relevant disclosure provision of Appendix C of the Code on Real Estate Investment Trusts issued by the Hong Kong Securities and Futures Commission (the "REIT Code").

The Audit Committee is responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements. In addition, we are required to assess whether the consolidated financial statements of the Group have been properly prepared, in all material respects, in accordance with the relevant provisions of the Trust Deed and the relevant disclosure provisions of Appendix C of the REIT Code.



INDEPENDENT AUDITOR'S REPORT (continued)

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITOR'S REPORT (continued)

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON MATTERS UNDER THE RELEVANT PROVISIONS OF THE TRUST DEED AND THE RELEVANT DISCLOSURE PROVISIONS OF APPENDIX C OF THE REIT CODE

In our opinion, the consolidated financial statements have been properly prepared, in all material respects, in accordance with the relevant provisions of the Trust Deed and the relevant disclosure provisions of Appendix C of the REIT Code.

The engagement partner on the audit resulting in this independent auditor's report is Wong Hung Nam.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 24 March 2025

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2024

	Notes	Year ended 31 December	
		2024 RMB'000	2023 RMB'000
Revenues	5	702,469	732,448
Property operating expenses	6	(187,183)	(189,186)
Net property income		515,286	543,262
General and administrative expenses	7	(88,725)	(89,005)
Fair value loss of investment properties	13	(158,421)	(131,833)
Fair value loss of right-of-use assets	14	(44)	(187)
Other gains/(losses), net	8	42,466	(98,736)
Operating profit		310,562	223,501
Bank interest income		7,403	4,932
Finance costs on interest-bearing borrowings	9	(290,735)	(236,994)
Profit/(loss) before taxation and transactions with Unitholders		27,230	(8,561)
Income tax expense	10	(46,915)	(44,998)
Loss for the year, before transactions with Unitholders		(19,685)	(53,559)
Distributions paid to Unitholders:			
- 2022 final distribution		—	(135,192)
- 2023 interim distribution		—	(127,710)
- 2023 final distribution (note ii)		(120,332)	—
- 2024 interim distribution (note ii)		(119,885)	—
		(259,902)	(316,461)
Represented by:			
Change in net assets attributable to Unitholders, excluding issuance of new units and units bought back for cancellation		(276,647)	(320,910)
Amount arising from exchange reserve movements regarding translations of financial statements		(10,196)	(19,536)
Non-controlling interests		26,941	23,985
		(259,902)	(316,461)
Loss for the year, before transactions with Unitholders attributable to:			
- Unitholders (note i)		(46,626)	(77,544)
- Non-controlling interests		26,941	23,985
		(19,685)	(53,559)

Notes:

- (i) Loss per unit, based upon loss for the year, before transactions with Unitholders attributable to Unitholders and the weighted average number of units in issue, is set out in note 12.
- (ii) 2024 interim distribution and 2023 final distribution of RMB119,885,000 and RMB120,332,000 respectively were paid during the year ended 31 December 2024. Total distribution for the year ended 31 December 2024 is presented in the consolidated statement of distributions.

The notes on pages 178 to 218 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2024

	Before transactions with Unitholders RMB'000	Transactions with Unitholders (note i) RMB'000	After transactions with Unitholders (note ii) RMB'000	Non-controlling interests RMB'000	Total RMB'000
For the year ended 31 December 2024					
Loss for the year	(46,626)	36,430	(10,196)	26,941	16,745
Other comprehensive income:					
<i>Items that may be reclassified to consolidated income statement</i>					
Exchange gains on translation of financial statements of subsidiaries	28,174	—	28,174	—	28,174
<i>Items that may not be reclassified to consolidated income statement</i>					
Exchange losses on translation of financial statements of Spring REIT	(17,978)	—	(17,978)	—	(17,978)
Total comprehensive income for the year	(36,430)	36,430	—	26,941	26,941
For the year ended 31 December 2023					
Loss for the year	(77,544)	58,008	(19,536)	23,985	4,449
Other comprehensive income:					
<i>Items that may be reclassified to consolidated income statement</i>					
Exchange losses on translation of financial statements of subsidiaries	(16,867)	—	(16,867)	—	(16,867)
<i>Items that may not be reclassified to consolidated income statement</i>					
Exchange gains on translation of financial statements of Spring REIT	36,403	—	36,403	—	36,403
Total comprehensive income for the year	(58,008)	58,008	—	23,985	23,985

Notes:

- (i) Transactions with Unitholders comprise the distributions paid to Unitholders of RMB240,217,000 (2023: RMB262,902,000), change in net assets attributable to Unitholders excluding issuance of new units and unit bought back for cancellation, which is a decrease of RMB276,647,000 (2023: a decrease of RMB320,910,000).
- (ii) In accordance with the Trust Deed, Spring REIT is required to distribute not less than 90% of total distributable income to Unitholders for each financial year. Accordingly, the units contain contractual obligations of Spring REIT to pay cash distributions. The Unitholders' funds are therefore classified as a financial liability rather than equity in accordance with International Accounting Standard 32: Financial Instruments: Presentation. Consistent with Unitholders' funds being classified as a financial liability, the distributions to Unitholders and change in net assets attributable to Unitholders, excluding issuance of new units and units bought back for cancellation, are part of finance costs which are recognised in the consolidated income statement. Accordingly, the total comprehensive income attributable to Unitholders after transactions with Unitholders is zero.

The notes on pages 178 to 218 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF DISTRIBUTIONS

For the year ended 31 December 2024

	2024 RMB'000	2023 RMB'000
Loss for the year, before transactions with Unitholders attributable to Unitholders	(46,626)	(77,544)
Adjustments:		
- Fair value loss of investment properties attributable to Unitholders	160,730	132,210
- Fair value loss of right-of-use assets	44	187
- Net fair value (gain)/loss of derivative financial instruments	(22,802)	120,615
- Deferred taxation on change in fair values of investment properties attributable to Unitholders	8,719	8,729
- Manager's fee expenses in units in lieu of cash	37,716	38,611
- Interests calculated under effective interest method of bank borrowings	10,866	(166)
- Other non-cash losses attributable to Unitholders	2,841	—
- Unrealised foreign exchange losses	69,760	29,497
Distributable income for the year (note ii)	221,248	252,139
Total distributions of the year (note iii)	221,248	245,836
Represented by:		
Interim distribution, paid (note iv)	119,885	127,710
Final distribution, to be paid (note v)	101,363	118,126
Total distributions of the year (note iii)	221,248	245,836
Percentage of total distribution over distributable income for the year	100%	97.5%
Distributions per unit to Unitholders		
- Interim distribution per unit, paid (note iv)	HK\$9.0 cents	HK\$10.0 cents
- Final distribution per unit, to be paid (note v)	HK\$7.6 cents	HK\$9.0 cents
Distribution per unit for the year (note vi)	HK\$16.6 cents	HK\$19.0 cents

The notes on pages 178 to 218 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF DISTRIBUTIONS (continued)

For the year ended 31 December 2024

Notes:

- (i) All distributions to Unitholders are determined and paid in Hong Kong dollar. For Unitholder's reference, the distributions per unit to Unitholders expressed in RMB term is as follows:

	2024	2023
Distributions per unit to Unitholders		
- Interim distribution per unit	RMB8.2 cents	RMB8.9 cents
- Final distribution per unit	RMB7.0 cents	RMB8.2 cents
Distribution per unit for the year	RMB15.2 cents	RMB17.1 cents

- (ii) Under the terms of the Trust Deed, the distributable income represents the loss for the year before transactions with Unitholders attributable to Unitholders, adjusted to eliminate the effects of certain non-cash transactions which have been recorded in the consolidated income statement for the year.
- (iii) In accordance with the terms of the Trust Deed, Spring REIT is required to distribute to Unitholders not less than 90% of its total distributable income for each financial year. The Manager also has the discretion to make distributions over and above the minimum 90% of Spring REIT's total distributable income if and to the extent Spring REIT has funds surplus to meet its business requirements.
- (iv) The interim distribution per unit of HK\$9.0 cents for the six months ended 30 June 2024 was calculated based on the interim distribution of RMB119,885,000 for the period and 1,454,701,670 units (being 1,455,184,670 units in issue as at 2 October 2024, being the record date of 2024 Interim Distribution, less 483,000 bought back but not yet cancelled units), rounded to the nearest HK\$0.1 cents. The interim distribution was paid to Unitholders on 22 October 2024.
- (v) The final distribution per unit of HK\$7.6 cents for the year ended 31 December 2024 is calculated based on the final distribution to be paid to Unitholders of RMB101,363,000 for the second half of the financial year and 1,459,041,125 units in issue as at 24 March 2025, being the date of declaration of the final distribution, rounded to the nearest HK\$0.1 cents.

The final distribution for the year ended 31 December 2024 is expected to be paid to Unitholders on 30 April 2025. Such final distributions per unit, however, may be subject to adjustment upon the issuance of new units and units bought back and cancelled between 24 March 2025 (being the date of the declaration of the final distribution) and 15 April 2025 (the "Record Date"), if any.

The final distribution per unit of HK\$9.0 cents for the year ended 31 December 2023 was calculated based on the final distribution paid to the Unitholders of RMB118,126,000 for the second half of the financial year and 1,439,410,110 units in issue as at 17 April 2024, being the record date of 2023 Final Distribution, rounded to the nearest HK\$0.1 cents. The final distribution for the year ended 31 December 2023 was paid to Unitholders on 24 April 2024.

- (vi) All distributions to Unitholders are determined and paid in Hong Kong dollar.

The notes on pages 178 to 218 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	Notes	As at 31 December	
		2024 RMB'000	2023 RMB'000
Assets			
Investment properties	13	11,252,000	12,039,343
Right-of-use assets	14	—	15,468
Derivative financial instruments	15	95,443	93,186
Restricted bank balances	17	276,413	326,532
Trade and other receivables	16	66,647	88,103
Cash and cash equivalents	17	253,820	222,893
		11,944,323	12,785,525
Assets classified as held for sale	24	693,916	—
Total assets		12,638,239	12,785,525
Liabilities, excluding net assets attributable to Unitholders			
Interest-bearing borrowings	19	4,798,359	5,054,490
Derivative financial instruments	15	—	41,376
Deferred tax liabilities	20	122,972	110,150
Lease liabilities	14	—	11,163
Rental deposits	18	195,487	211,544
Trade and other payables	18	177,294	215,122
Income tax payable		31,572	39,866
		5,325,684	5,683,711
Liabilities classified as held for sale	24	459,856	—
Total liabilities, excluding net assets attributable to Unitholders		5,785,540	5,683,711
Non-controlling interests		965,291	971,150
Net assets attributable to Unitholders		5,887,408	6,130,664
Units in issue ('000)	21	1,459,041	1,440,497
Net asset value per unit attributable to Unitholders			
In RMB		4.04	4.26
Equivalent in HK\$		4.36	4.70

For and on behalf of the Board of Directors of
Spring Asset Management Limited, as the Manager

Leung Kwok Hoe, Kevin
Executive Director

Chung Wai Fai, Michael
Executive Director

The notes on pages 178 to 218 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AND NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

For the year ended 31 December 2024

	Reserve RMB'000	Net assets attributable to Unitholders RMB'000	Non- controlling interest RMB'000	Total RMB'000
As at 1 January 2024	—	6,130,664	971,150	7,101,814
Loss for the year and before transactions with Unitholders	—	(46,626)	26,941	(19,685)
Exchange gains on translation of financial statements	10,196	—	—	10,196
Amount arising from exchange reserve movements (note)	(10,196)	10,196	—	—
Distributions paid:				
- 2023 final distribution	—	(120,332)	—	(120,332)
- 2024 interim distribution	—	(119,885)	—	(119,885)
Dividend paid to non-controlling interest	—	—	(32,800)	(32,800)
Change in net assets attributable to Unitholders for the year ended 31 December 2024, excluding issuance of new units and units bought back for cancellation	—	(276,647)	(5,859)	(282,506)
Issuance of units (note 21)	—	38,219	—	38,219
Units bought back for cancellation (note 21)	—	(4,828)	—	(4,828)
	—	33,391	—	33,391
As at 31 December 2024	—	5,887,408	965,291	6,852,699

Note: The amount represented earnings retained for the year to offset the reserve movements.

The notes on pages 178 to 218 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AND NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (continued)

For the year ended 31 December 2024

	Reserve RMB'000	Net assets attributable to Unitholders RMB'000	Non- controlling interest RMB'000	Total RMB'000
As at 1 January 2023	—	6,558,843	947,165	7,506,008
Loss for the year and before transactions with Unitholders	—	(77,544)	23,985	(53,559)
Exchange gains on translation of financial statements	19,536	—	—	19,536
Amount arising from exchange reserve movements (note)	(19,536)	19,536	—	—
Distributions paid to Unitholders:				
- 2022 final distribution	—	(135,192)	—	(135,192)
- 2023 interim distribution	—	(127,710)	—	(127,710)
Change in net assets attributable to Unitholders for the year ended 31 December 2023, excluding issuance of new units and units bought back for cancellation	—	(320,910)	23,985	(296,925)
Issuance of units (note 21)	—	32,786	—	32,786
Units bought back for cancellation (note 21)	—	(140,055)	—	(140,055)
	—	(107,269)	—	(107,269)
As at 31 December 2023	—	6,130,664	971,150	7,101,814

Note: The amount represented earnings retained for the year to offset the reserve movements.

The notes on pages 178 to 218 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2024

	Notes	Year ended 31 December	
		2024 RMB'000	2023 RMB'000
Cash flows from operating activities			
Cash generated from operations	22	420,972	500,210
Interest received		7,403	4,932
Income tax paid		(25,921)	(21,324)
Net cash generated from operating activities		402,454	483,818
Cash flows from investing activity			
Additions to investment properties		(9,681)	(27,608)
Net cash used in investing activity		(9,681)	(27,608)
Cash flows from financing activities			
Payment of lease liabilities		(1,159)	(1,202)
Repurchase of units in issued		(4,828)	(140,055)
Net proceeds from borrowings		145,144	203,720
Repayment of borrowings		(67,765)	(90,906)
Interest paid		(195,562)	(181,187)
Decrease in restricted bank balances		48,635	45,173
Distributions to Unitholders		(273,017)	(268,963)
Settlement of derivative financial instruments		—	(10,423)
Net cash used in financing activities		(348,552)	(443,843)
Net increase in cash and cash equivalents		44,221	12,367
Cash and cash equivalents at the beginning of the year		222,893	202,434
Exchange gain on cash and cash equivalents		3,802	8,092
Cash and cash equivalents at end of year		270,916	222,893
Analysis of cash and cash equivalents			
Cash at bank and on hand		253,820	222,893
Cash and bank balances reclassified as assets classified as held for sale (note 24)		17,096	—
		270,916	222,893

The notes on pages 178 to 218 are an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

1 GENERAL INFORMATION

Spring Real Estate Investment Trust ("Spring REIT") is a Hong Kong collective investment scheme authorised under section 104 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). Spring REIT was established on 25 November 2013 and its units are listed on the main board of The Stock Exchange of Hong Kong Limited (the "HKSE") on 5 December 2013. Spring REIT is governed by a trust deed entered into on 14 November 2013 as amended and supplemented by the first supplemental deed dated 22 May 2015, the first amending and restating deed on 28 May 2021 and the second amending and restating deed on 20 September 2024 entered into between Spring Asset Management Limited (the "Manager") and DB Trustees (Hong Kong) Limited (the "Trustee") (collectively, the "Trust Deed") and the Code on Real Estate Investment Trusts issued by the Securities and Futures Commission of Hong Kong (the "REIT Code"). The addresses of the registered offices of the Manager and the Trustee are Room 2602, 26/F, LHT Tower, 31 Queen's Road Central, Hong Kong and 60/F, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong, respectively.

The principal activity of Spring REIT and its subsidiaries (together, the "Group") is to own and invest in income-producing real estate assets.

The consolidated financial statements are presented in Renminbi ("RMB"). The functional currency of Spring REIT is Hong Kong dollars ("HK\$"), the distribution of Spring REIT is determined and paid in HK\$.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES

The material accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented.

(a) Basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") and Interpretations issued by the International Accounting Standards Board ("IASB"), the requirements of the Trust Deed and the relevant disclosure requirements as set out in Appendix C of the REIT Code issued by the Securities and Futures Commission of Hong Kong.

The Group has adopted the liquidity basis in the presentation of the consolidated statement of financial position as it is considered to be more relevant and meaningful to readers based on the timing of their realisation or settlement of assets and liabilities as justified by the market situation.

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties, right-of-use assets and derivative financial instruments, which are carried at fair value.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 4.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(a) Basis of preparation (continued)

New standards and amendments to existing standards adopted by the Group

The Group has adopted all of the new standards and amendments to existing standards issued by the IASB that are relevant to the Group's operations and mandatory for annual accounting periods beginning 1 January 2024.

New standards and amendments to existing standards effective in 2024:

IAS 1 (Amendments)	Classification of Liabilities as Current or Non-current
IAS 1 (Amendments)	Non-current Liabilities with Covenants
IFRS 16 (Amendments)	Lease Liability in a Sale and Leaseback
IAS 7 and IFRS 7 (Amendments)	Supplier Finance Arrangements

The adoption of these new standards and amendments to existing standards does not have a material impact on the accounting policies or results and the financial position of the Group and/or the disclosure set out in these consolidated financial statements.

New standards and amendments to existing standards not yet adopted

The following new standards and amendments to existing standards are in issue but not yet effective, and have not been early adopted by the Group.

		Effective for accounting periods beginning on or after
IAS 21 and IFRS 1 (Amendments)	Lack of Exchangeability	1 January 2025
IFRS 9 and IFRS 7 (Amendments)	Classification and Measurement of Financial Instruments	1 January 2026
Annual Improvements to IFRS Accounting Standards – Volume 11	Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7	1 January 2026
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
IFRS 10 and IAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint venture	To be determined

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(a) Basis of preparation (continued)

New standards and amendments to existing standards not yet adopted (continued)

The Group will apply the above new standards and amendments to existing standards as and when they become effective. The Group has already commenced an assessment of the impact of these new standards and amendments to existing standards, and anticipated that the adoption of new standards and amendments to existing standards will not have a material effect on the Group's operating result or financial position.

(b) Consolidation

The consolidated financial statements incorporate the assets and liabilities of Spring REIT and its subsidiaries as at 31 December 2024 and their results for the year then ended.

A subsidiary is an entity (including a structured entity) over which the Group has control. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated in full on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the units issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition related costs are expensed in the consolidated income statement during the period in which they are incurred.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated income statement, statement of comprehensive income, statement of financial position and statement of changes in equity and net assets attributable to Unitholders respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(c) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, for rental income in the ordinary course of the Group's activities. Amounts disclosed as revenue are net of returns and amounts collected on behalf of third parties. Revenue is recognised when or as the control of the good or service is transferred to the customer.

(i) Rental and car park income

Operating lease rental income from investment properties is recognised in the consolidated income statement on a straight-line basis over the terms of lease agreements. Lease incentives provided, such as rent-free periods, are amortised on a straight-line basis and are recognised as a reduction of rental income over the respective term of the lease.

(ii) Interest income

Interest income is recognised on a time proportion basis using the effective interest method.

(d) Property operating expenses

Property operating expenses include property related outgoings and other expenses, are recognised on an accrual basis.

(e) Investment properties

Investment properties, principally comprising freehold land, leasehold land and buildings, are held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group. It also includes properties that are being constructed or developed for future use as investment properties. Investment properties are initially measured at cost, including related transaction costs and where applicable borrowing costs.

After initial recognition, investment properties are carried at fair value, representing open market value determined at each reporting date by external valuer. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If the information is not available, the Group uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections. Changes in fair values are recorded in the consolidated income statement as part of a valuation gain or loss.

(f) Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at its fair value at the end of each reporting year. The change in the fair value is recognised in the consolidated income statement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(g) Trade and other receivables

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. The amount of the provision is recognised in the consolidated income statement.

In the event that lease incentives, including rent free periods, are given to enter into operating leases, such incentives are recognised as deferred rent receivables. The aggregate benefit of incentives is recognised as a reduction of rental income on a straight-line basis.

(h) Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks with original maturities of three months or less.

(i) Interest-bearing borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

(j) Borrowing costs

Borrowing costs are recognised in the consolidated income statement in the period in which they are incurred.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(k) Payables and provisions

(i) Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(ii) Provisions

Provisions are recognised when there is a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Where a provision is expected to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation that reflects current market assessments of the time value of money and the risks specific to the obligation.

(iii) Rental deposits

Rental deposits arise when the Group enters into lease agreement directly with a tenant.

(l) Taxation

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Group's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred taxation

Deferred taxation is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred taxation is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(l) Taxation (continued)

Deferred taxation (continued)

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred taxation arising from investment property is determined based on the expected manner as to how the investment properties will be recovered through sale or through use with the corresponding tax rate applied.

(m) Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). Spring REIT's functional currency is HK\$ and the consolidated financial statements are presented in RMB.

The Group's functional currency is different from the presentation currency and the results and financial position are translated into the presentation currency as follows:

- (i) assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that consolidated statement of financial position;
- (ii) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- (iii) all resulting exchange differences are recognised in other comprehensive income.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated income statement.

Foreign exchange gains and losses that relate to borrowings are presented in the consolidated income statement within "finance costs". All other foreign exchange gains and losses are presented in the consolidated income statement within other gains or losses.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(m) Foreign currency translation (continued)

(b) Transactions and balances (continued)

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in consolidated income statement as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as fair value through other comprehensive income are recognised in other comprehensive income.

(n) Leases

(i) At initial recognition

The Group acting as lessee recognises a right-of-use asset and a lease liability for all leases with a term of more than 12 months, unless the underlying asset is of low value.

The right-of-use asset is measured at its cost which includes the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date (less any lease incentives received), any initial direct costs incurred by the Group; and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

The lease liability is initially measured at the present value of the lease payments payable over the lease term, discounted at the rate implicit in the lease if that can be readily determined. If that rate cannot be readily determined, the Group uses its incremental borrowing rate adjusted for the length of lease.

Lease liabilities include the net present value of the following lease payments:

- fixed lease payments, included in-substance fixed payments, less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the exercise price of purchase options, if the Group is reasonably certain to exercise the option;
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, or the penalty payable on the exercise of a termination option unless the Group is reasonably certain not to exercise the option; and
- any amounts expected to be payable under residual value guarantees.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(n) Leases (continued)

(i) At initial recognition (continued)

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. Extension and termination options are included in a number of property leases across the Group. These are used to maximise operational flexibility in terms of managing the investment properties used in the Group's leasing activities. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group is using the lessee's incremental borrowing rate, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

(ii) Subsequent measurement

The Group measures the right-of-use assets that meet the definition of investment property using the fair value model applied to its investment property.

The lease liability is measured as follows:

- (a) increasing the carrying amount to reflect interest on the lease liability;
- (b) reducing the carrying amount to reflect the lease payments made; and
- (c) remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect revised in-substance fixed lease payments.

Where the Group is exposed to potential future increases in variable lease payments based on an index or rate, these are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

(o) Unitholders' funds as a financial liability

In accordance with the Trust Deed, Spring REIT is required to distribute to Unitholders not less than 90% of the Group's total distributable income for each financial year. Accordingly, the units contain a contractual obligation of the trust to pay to its Unitholders cash distributions. The Unitholders' funds are therefore classified as a financial liability rather than equity in accordance with IAS 32: Financial Instruments: Presentation. It is shown on the consolidated statement of financial position as the net assets attributable to Unitholders.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

3 FINANCIAL RISK AND CAPITAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out by the senior management. The management manages and monitors these risk exposures to ensure appropriate measures are implemented on timely and effective manners.

(a) Market risk

(i) Foreign exchange risk

The subsidiaries of the Group operate in the People Republic of China (the "PRC") and the United Kingdom (the "UK") with functional currency in Renminbi ("RMB") and British Pound Sterling ("GBP") respectively. It is therefore exposed to foreign exchange risk arising from commercial transactions, and from recognised assets and liabilities that are denominated in a currency that is not the functional currency. This is primarily with respect to the US\$ and HK\$.

As at 31 December 2024, the Group has six (2023: four) cross currency swaps swapping RMB to HK\$ with total notional amount of HK\$3,520 million (approximately RMB3,260 million) (2023: total notional amount of HK\$1,950 million (approximately RMB 1,767 million)) to hedge the foreign exchange risk from the HK\$ denominated bank borrowings until 23 September 2025.

As at 31 December 2024, if US\$ had strengthened/weakened by 5% against the RMB with all other variables held constant, loss for the year would have been increased/decreased by RMB48,570,000 (2023: loss for the year would have been increased/decreased by RMB47,232,000) respectively, mainly as a result of foreign exchange differences on translation of monetary assets and liabilities being denominated in US\$ that is not the functional currency items in the PRC such as cash and bank balance and other payables.

As at 31 December 2024, if HK\$ had strengthened/weakened by 5% against the RMB with all other variables held constant, loss for the year would have been increased/decreased by RMB134,553,000 (2023: loss for the year would have been increased/decreased by RMB132,165,000) respectively, mainly as a result of foreign exchange differences on translation of monetary assets and liabilities being denominated in HK\$ that is not the functional currency items in the PRC such as cash and bank balance, other payables and borrowings.

As at 31 December 2024, if GBP had strengthened/weakened by 5% against the US\$ with all other variables held constant, loss for the year would have been increased/decreased by RMB8,098,000 (2023: loss for the year would have been increased/decreased by RMB7,638,000) respectively, mainly as a result of foreign exchange differences on translation of monetary assets and liabilities being denominated in US\$ that is not the functional currency items in the UK.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

3 FINANCIAL RISK AND CAPITAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(a) Market risk (continued)

(ii) Interest rate risk

The Group's interest rate risk mainly arises from its long-term borrowings. Borrowings at variable rates expose the Group to cash flow interest rate risk which is partially offset by bank deposits at variable rate. Under the Group's interest rate management policy, the Group generally raises borrowings at floating rates and may use plain vanilla interest rate swaps to manage the risk where the Group forecasts a significant rise in interest rate in the foreseeable future.

As at 31 December 2024, the Group has three (2023: four) plain vanilla interest rate swaps with total notional amount of HK\$2,355 million and GBP47.8 million (approximately RMB2,617 million) (2023: total notional amount of HK\$2,355 million and GBP47.8 million (approximately RMB2,566 million)) to hedge the interest rate risk arising from the variable rate bank borrowings. For the HK\$ denominated bank borrowings, the Group pays interest at fixed rates from 1.144% to 1.25% per annum (2023: 1.144% to 1.25% per annum) and receives interest at the rate of 1-month HK\$ HIBOR (2023: 1-month HK\$ HIBOR) until 23 September 2025. For the GBP denominated bank borrowings, the Group pays interest at fixed rate of 3.8% per annum and receives interest rate at the rate of 3-month compounded Sterling Overnight Index Average until 27 January 2025.

As at 31 December 2024, if interest rates had been 50 basis points higher/lower with all other variables held constant, loss for the year would have been RMB1,470,000 higher/lower (2023: loss for the year would have been increase/decrease by RMB1,282,000) lower/higher respectively, mainly as a result of higher/lower interest expense on floating rate borrowings after taking into consideration of interest rate swaps.

(b) Credit risk

Credit risk arises from the potential failure of the Group's counterparties to meet their obligations under financial contracts. The Group is exposed to credit risk on its deposits with financial institutions, derivative financial instruments as well as trade and other receivables.

For deposits with financial institutions, the Group has limited its credit exposure by restricting their selection of financial institutions to reputable banks with sound credit ratings.

In respect of credit exposures to tenants, credit risk exposure is minimised by undertaking transactions with a large number of counterparties and conducting credit evaluations on prospective tenants before lease agreements are entered into with tenants. Monthly rentals are payable in advance by tenants in accordance with the leases. The Group also has policies in place to ensure that rental security deposits are required from tenants prior to commencement of leases. It also has other monitoring procedures to ensure that follow-up actions are taken to recover overdue debts. In addition, the Group regularly reviews the recoverable amount of each individual trade receivable to ensure that adequate provision for impairment losses is made for irrecoverable amounts.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

3 FINANCIAL RISK AND CAPITAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(c) Liquidity risk

Cash flow forecasting is performed by the Group's finance function ("Group Finance"). Group Finance monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its borrowing facilities (note 19) at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, compliance with internal financial position ratio targets and, if applicable external regulatory or legal requirements.

Liquidity risk management includes maintaining sufficient cash, the availability of funding from operating cash flow and seeking stable financing activities. The Group will continue to monitor market conditions to assess the possibility of arranging longer term refinancing at favorable rates and extending the maturity profile of its debts. Taking into account the liquidity position, covenants and regulatory compliance (including the gearing ratio) of the Group, management expected the Group has adequate resources to meet its liabilities and commitment as and when they fall due and to continue in operational existence for the foreseeable future.

The table below analyses the Group's financial assets into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity dates.

	Within 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	Over 5 years RMB'000
At 31 December 2024				
Restricted bank balances	236,413	—	—	40,000
Trade and other receivables	9,259	—	—	—
Cash and cash equivalents	253,820	—	—	—
Derivative financial instruments	95,443	—	—	—
At 31 December 2023				
Restricted bank balances	—	286,532	—	40,000
Trade and other receivables	43,010	—	—	—
Cash and cash equivalents	222,893	—	—	—
Derivative financial instruments (net recoverable)	—	51,810	—	—

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

3 FINANCIAL RISK AND CAPITAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(c) Liquidity risk (continued)

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity dates. The amounts disclosed in the table are the contractual undiscounted cash flows which comprise both interest and principal cash flows.

	Within 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	Over 5 years RMB'000
At 31 December 2024				
Trade and other payables	121,278	—	—	—
Rental deposits	58,819	48,446	82,081	6,141
Interest payable on borrowings	256,942	22,480	45,661	9,942
Interest-bearing borrowings	4,674,071	83,443	258,673	250,329
Lease liabilities	1,159	1,159	3,476	52,638
At 31 December 2023				
Trade and other payables	129,112	—	—	—
Rental deposits	71,815	48,075	81,892	9,762
Interest payable on borrowings	298,784	167,083	78,200	48,090
Interest-bearing borrowings	67,765	4,447,249	250,329	342,116
Lease liabilities	1,148	1,148	3,440	54,338

3.2 Capital risk management

(a) Gearing ratio

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for Unitholders.

The Group monitors capital on the basis of the gearing ratio. The gearing ratio is calculated as total borrowings divided by total assets.

	2024		2023	
	RMB'000	Gearing ratio (%)	RMB'000	Gearing ratio (%)
At 31 December				
Borrowings on statement of financial position	4,798,359	38.0%	5,054,490	39.5%
Borrowings classified as liabilities held for sale	436,362		—	
Total borrowings	5,234,721	41.4%	5,054,490	39.5%
Total assets	12,638,239		12,785,525	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

3 FINANCIAL RISK AND CAPITAL RISK MANAGEMENT (continued)

3.2 Capital risk management (continued)

(b) Loan covenants

Under the terms of the major bank loan, which has a carrying amount of RMB4,798,359,000 (2023: RMB5,054,490,000), the Group is required to comply with the following financial covenants.

- (i) the Comprehensive Gearing Ratio of the Group at all time is equal to or less than 50%;
- (ii) the debt service coverage ratio is not less than 1.25; and
- (iii) the currency hedge triggering rate is higher than the exchange rate

The Group has complied with these covenants throughout the year ended 31 December 2024 and 2023.

There are no indications that the Group would have difficulties complying with the covenants when they will be tested as at the 30 June 2025 interim reporting date.

3.3 Fair value estimation

The table below analyses the Group's financial instruments carried at fair value as at 31 December 2024 by level of the inputs to valuation techniques used to measure fair value. Such inputs are categorised into three levels within a fair value hierarchy as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents financial instruments that are measured at fair values.

At 31 December 2024	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Derivative assets				
Derivative financial instruments	—	95,443	—	95,443
At 31 December 2023	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Derivative assets				
Derivative financial instruments	—	93,186	—	93,186
Derivative liabilities				
Derivative financial instruments	—	41,376	—	41,376

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

3 FINANCIAL RISK AND CAPITAL RISK MANAGEMENT (continued)

3.3 Fair value estimation (continued)

There were no transfers between levels 1, 2 and 3 during the year (2023: nil).

Valuation techniques used to derive the fair values of the derivatives are as follows:

As at 31 December 2024, the level 2 derivative financial instruments represented three (2023: four) plain vanilla interest rate swaps and six cross currency swaps (2023: four) which are not traded in an active market. The fair values of these derivative financial instruments are based on prices quoted by financial institutions at the end of the reporting period.

There were no changes in valuation techniques during the year.

The disclosures of the investment properties and right-of-use assets, that are measured at fair value, are set out in notes 13 and 14.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant effect on carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Estimates of fair value of investment properties

The fair value of each investment property is individually determined at each reporting date by independent valuer using valuation techniques. Details of the judgement and assumptions have been disclosed in note 13.

(b) Estimates of fair values of derivative financial instruments

Fair values have been arrived at using valuations provided by the counterparty banks/valuer for each reporting period with reference to market data. Actual results may differ when assumptions and selections of valuation technique changes.

(c) Taxation

The Group is a foreign enterprise established outside the PRC and the UK. The Group is subject to various taxes in the PRC and the UK. Significant judgement is required in determining the provision for taxation including deferred taxation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises or writes back liabilities for anticipated tax issues based on estimates of whether additional taxes will be due or reversal to be made. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the taxation and deferred tax.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

5 REVENUE AND SEGMENT INFORMATION

The Group holds investment properties in the PRC and the UK, and is principally engaged in property investment and provision of related services. Management has determined the operating segments based on the reports reviewed by the chief operating decision-maker that are used to make strategic decisions. Given that management reviews the operating results of the Group on an aggregate basis, no segment information is therefore presented.

For the year ended 31 December 2024, revenue of RMB660 million (2023: RMB690 million) is attributable to tenants from the PRC investment properties and RMB42 million (2023: RMB42 million) is attributable to tenants from the UK investment properties. As at 31 December 2024, investment properties of RMB11,252 million (2023: RMB11,403 million) is located in the PRC and RMB650 (2023: RMB636 million) is located in the UK. Right-of-use assets of RMB16 million (2023: RMB15 million) is located in the UK. The investment properties and right-of-use assets located in the UK were transferred to assets classified as held for sale during the year (note 24).

An analysis of revenues of the Group is as follows:

	Year ended 31 December	
	2024 RMB'000	2023 RMB'000
Revenues		
Rental income	669,996	701,862
Car park income	4,434	3,562
Other income (note i)	28,039	27,024
	702,469	732,448

Note:

- (i) Other income mainly represents compensation paid by tenants for early termination of lease and miscellaneous income charged to tenants.

6 PROPERTY OPERATING EXPENSES

	Year ended 31 December	
	2024 RMB'000	2023 RMB'000
Property management fee	38,522	34,815
Property taxes (note i)	69,673	80,822
Other taxes (note ii)	5,479	5,272
Enterprise income tax (note iii)	41,751	48,187
Leasing commission	9,738	3,918
Reinstatement costs	1,635	—
Advertising and promotional expenses	10,515	15,151
Provision for rent receivables	4,578	—
Others	5,292	1,021
	187,183	189,186

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

6 PROPERTY OPERATING EXPENSES (continued)

Notes:

- (i) Property taxes represent real estate tax and land use tax in the PRC. Real estate tax applicable to the Group's PRC properties is calculated: (a) for leased area, at 12% of rental income; and (b) for vacant area, at 1.2% of the residual value of the relevant area.
- (ii) Other taxes represent urban construction and maintenance tax, education surcharge, consumption tax, vehicle and vessel tax, value-added tax and stamp duty in the PRC.
- (iii) Enterprise income tax is calculated based on 10% of the revenues received from rental operation for the Beijing properties and onshore interest income.

7 GENERAL AND ADMINISTRATIVE EXPENSES

	Year ended 31 December	
	2024 RMB'000	2023 RMB'000
Manager's fee (note i)	60,773	62,153
Trustee fee	2,149	2,381
Valuation fee	1,059	652
Auditor's remuneration		
- Audit services	2,105	2,228
- Other assurance services	662	657
- Other non-assurance services	346	343
Legal and other professional fees	15,441	15,697
Others	6,190	4,894
	88,725	89,005

Note:

- (i) The breakdown of the Manager's fee was set out in note 11.

8 OTHER GAINS/(LOSSES), NET

	Year ended 31 December	
	2024 RMB'000	2023 RMB'000
Net fair value gain/(loss) of derivative financial instruments		
at fair value through profit or loss	22,802	(120,615)
Foreign exchange gains, net	17,760	21,099
Other gains	1,904	780
	42,466	(98,736)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

9 FINANCE COSTS ON INTEREST-BEARING BORROWINGS

	Year ended 31 December	
	2024 RMB'000	2023 RMB'000
Interest expenses on bank borrowings (note i)	(320,467)	(288,834)
Interest income on derivative financial instruments	118,165	103,329
Interest expenses on lease liabilities	(912)	(893)
Foreign exchange losses on bank borrowings (note ii)	(87,521)	(50,596)
	(290,735)	(236,994)

Notes:

- (i) Interest expenses on bank borrowings comprised contractual loan interest and amortised loan arrangement fee, which were recognised using the effective interest rate method.
- (ii) Foreign exchange losses on bank borrowings arise upon translating the bank borrowings denominated in foreign currencies.

10 INCOME TAX EXPENSE

For the subsidiary with operation in Beijing, the PRC, it is not subject to the corporate income tax but it is subject to enterprise income tax as disclosed in note 6(iii).

For the subsidiary with operation in Huizhou, the PRC, it is subject to corporate income tax at a rate of 25%.

Prior to 31 March 2023, for the subsidiary with operation in the UK, it is subject to corporate income tax at a 19%. From 31 March 2023 onwards, the UK subsidiary is subject to corporation tax at a rate of 25%.

No Hong Kong profits tax has been provided as the Group has no assessable profit in Hong Kong.

The amount of income tax expense charged to the consolidated income statement represents:

	Year ended 31 December	
	2024 RMB'000	2023 RMB'000
Current tax		
Current income tax	34,093	32,161
	34,093	32,161
Deferred taxation	12,822	12,837
	46,915	44,998

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

10 INCOME TAX EXPENSE (continued)

The differences between the Group's expected tax charge, calculated at the domestic rates applicable to the country concerned, and the Group's tax charge for the years were as follows:

	Year ended 31 December	
	2024 RMB'000	2023 RMB'000
Profit/(loss) before income tax and transactions with unitholders	27,230	(8,561)
Exclude loss from the PRC operation which is not subject to income tax (note 6(iii))	34,968	47,187
	62,198	38,626
Tax calculated at the Hong Kong profit tax rate at 16.5% (2023: 16.5%)	10,263	6,373
Effect on different taxation rate on overseas operations	11,022	7,373
Income not subject to tax	(7,299)	(8,340)
Expenses not deductible for tax purposes	32,929	39,592
	46,915	44,998

11 MANAGER'S FEE

	Year ended 31 December	
	2024 RMB'000	2023 RMB'000
Base fee	46,826	47,306
Variable fee	13,947	14,847
	60,773	62,153

Pursuant to the Trust Deed, the Manager is entitled to receive remuneration for its services as the manager of Spring REIT, which is the aggregate of:

- (i) Base fee at 0.4% per annum of the value of the Deposited Property ("Base Fee", as defined in the Trust Deed).
- (ii) Variable fee at 3.0% per annum of the Net Property Income ("Variable Fee", as defined in the Trust Deed) (before deduction therefrom of the Base Fee and Variable Fee).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

11 MANAGER'S FEE (continued)

Based on the election made by the Manager dated 13 December 2023 and 2 December 2022 in relation to the Manager's elections for the Base Fee to be paid to the Manager in the form of cash as to 20% and in the form of Units as to 80% (2023: same), and Variable Fee to be paid to the Manager in the form of cash entirely (2023: same), arising from any real estate of Spring REIT for the year ended 31 December 2024 and 2023 in accordance with the Trust Deed.

12 LOSS PER UNIT

	2024 RMB'000	2023 RMB'000
Loss for the year before transactions with Unitholders attributable to Unitholders	(46,626)	(77,544)
Weighted average number of units for the year for calculating basic earnings per unit	1,449,657,500	1,463,749,811
Adjustment for dilutive units issuable in respect of the Manager's fee	—	—
Weighted average number of units for the year for calculating diluted earnings per unit	1,449,657,500	1,463,749,811
Basic loss per unit based upon profit before transactions with Unitholders attributable to Unitholders	(RMB3.2cents)	(RMB5.3cents)
Diluted loss per unit based upon profit before transactions with Unitholders attributable to Unitholders	(RMB3.2cents)	(RMB5.3cents)

The units issuable in respect of the Manager's fee are considered to have an anti-dilutive effect on the basic loss per unit for the year ended 31 December 2024, thus it is not included in the calculation of diluted loss per unit.

13 INVESTMENT PROPERTIES

	Year ended 31 December	
	2024 RMB'000	2023 RMB'000
At beginning of the year	12,039,343	12,082,952
Additions	14,367	37,636
Exchange differences recognised in other comprehensive income	6,628	50,588
Changes in fair value recognised in consolidated income statement	(158,421)	(131,833)
	11,901,917	12,039,343
Transfer to assets classified as held for sale (note 24)	(649,917)	—
At end of the year	11,252,000	12,039,343

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

13 INVESTMENT PROPERTIES (continued)

Notes:

- (i) The investment properties of the Group include those located in Beijing, Huizhou and the UK.

In Beijing, the investment properties comprise office towers 1 & 2 and approximately 608 car parking spaces located at No. 79 and 81 Jianguo Road, Beijing, the PRC. The land use rights of the properties have been granted to RCA01 for a 50-year term expiring on 28 October 2053.

In Huizhou, the investment properties comprise seven-storey shopping mall and 700 underground and 50 above-ground car park spaces located at No. 9 First Wencheng Road, Huicheng District, Huizhou, Guangdong Province, the PRC. The land use rights of the properties have been granted to Huizhou Runxin for 40-year term expiring on 1 February 2048.

In the UK, the investment properties comprise 83 (2023: 84) individual properties with diversified locations across the UK. The investment properties are held under either freehold or leasehold interests.

As at 31 December 2024 and 31 December 2023, the Group had no unprovided contractual obligations for future repairs and maintenance of the investment properties.

As at 31 December 2024 and 31 December 2023, the investment properties were pledged to secure the Group's interest-bearing borrowings (note 19).

As at 31 December 2024, the UK investment properties were transferred to assets classified as held for sale.

Valuation process

The Group's investment properties were valued by an independent qualified valuer not connected to the Group who holds a recognised relevant professional qualification and has recent experiences in the locations and segments of the investment properties valued.

The Manager reviewed the valuation performed by the independent valuer for financial reporting purpose. Discussions of valuation processes and results are held between the Manager and the independent valuer at least once every six months, in line with the Group's interim and annual reporting dates. As at 31 December 2024 and 2023, the fair values of the investment properties have been determined by Knight Frank Petty Limited. The independent valuer adopted the income capitalisation approach and cross-checked by the direct comparison approach for the valuation where applicable.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

13 INVESTMENT PROPERTIES (continued)

Valuation techniques

(i) PRC investment properties

The income capitalisation approach estimates the value of the property on an open market basis by capitalising the estimated rental income having regard to the current passing rental income from the existing tenancies and potential future reversionary income at the market level. In this valuation method, the total rental income comprises the current passing rental income over the existing remaining lease terms (the "term income") and a potential market rental income upon reversion (the "reversionary income"). The term value involves the capitalisation of the current passing rental income over the existing remaining lease terms. The reversionary value is estimated by capitalising the current market rental income. It is then discounted back to the valuation date. In this method, the independent qualified valuer has considered the term and reversionary yields to capitalise the current passing rental income and the market rental income, respectively.

The direct comparison approach is based on comparing the subject property with other comparable sales evidences of similar properties in the local market.

(ii) UK investment properties

The income capitalisation approach estimates the values of the properties on an open market basis by capitalising the estimated rental income having regard to the current passing rental income from the existing tenancies and potential future reversionary income at the market level. In this valuation method, the total rental income comprises the term income and the reversionary income. Both the term income and the reversionary income are capitalised using the same capitalisation rate either on perpetual basis (for freehold properties) or on the basis of the properties' remaining land tenure (for leasehold properties).

Fair value hierarchy

	Fair value measurements using		
	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000
Recurring fair value measurements			
As at 31 December 2024	—	—	11,252,000
As at 31 December 2023	—	—	12,039,343

The UK Properties (note 24) applied level 3 for value measurement as at 31 December 2024.

There were no transfers between levels 1, 2 and 3 during the year (2023: nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

13 INVESTMENT PROPERTIES (continued)

Key unobservable inputs used to determine fair values

(i) Beijing CCP properties

(a) Capitalisation rate

This is estimated based on the market lease over market value on comparable. The higher the capitalisation rates used, the lower the fair values of the investment properties. In the 31 December 2024 valuation, a capitalisation rate of 4.5% (2023: 5.0%) is used in the income capitalisation approach.

(b) Base rent

Base rent is the standard rent payable under the lease exclusive of any other charges and reimbursements. This was estimated based on the market lease comparable. The higher the base rent used, the higher the fair values of the investment property. The average gross monthly office unit base rent of RMB370 (2023: RMB399) per square meter exclusive of VAT is used in the valuation.

(ii) Huizhou Huamao Place

(a) Capitalisation rate

This is estimated based on the market lease over market value on comparable. The higher the capitalization rates used, the lower the fair values of the investment properties. In the 31 December 2024 valuation, a capitalisation rate of 6.0% (2023: 6.0%) is used in the income capitalisation approach.

(b) Base rent

Base rent is the standard rent payable under the lease exclusive of any other charges and reimbursements. This was estimated based on the market lease comparable. The higher the base rent used, the higher the fair values of the investment properties. The gross monthly base rent for the retail unit is RMB184 (2023: RMB179) per square meter.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

13 INVESTMENT PROPERTIES (continued)

Key unobservable inputs used to determine fair values (Continued)

(iii) UK investment properties

(a) Capitalisation rate

This is estimated based on the market lease over market value on comparable. The higher the capitalisation rate used, the lower the fair values of the investment property. In the 31 December 2024 valuations, the capitalisation rate used in the income capitalisation approach of 83 investment properties range from 4.25% to 9.05% (2023: 4.35% to 9.05%).

(b) Base rent

Base rent is the standard rent payable under the lease exclusive of taxes, other relevant charges and reimbursements. This was estimated based on the market lease comparable. The higher the base rent used, the higher the fair values of the investment properties. The gross annual unit base rents of 83 (2024: 84) investment properties range from GBP4.75 to GBP25.75 (2023: GBP4.50 to GBP27.96) per square foot.

14 LEASES

This note provides information for leases where the Group is a lessee that is not occupied by the Group.

	Year ended 31 December	
	2024 RMB'000	2023 RMB'000
Right-of-use assets		
At beginning of the year	15,468	14,460
Exchange differences recognised in other comprehensive income	163	1,195
Changes in fair value recognised in consolidated income statement	(44)	(187)
	15,587	15,468
Transfer to assets classified as held for sale (note 24)	(15,587)	—
At end of the year	—	15,468

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

14 LEASES (continued)

	Year ended 31 December	
	2024 RMB'000	2023 RMB'000
Lease liabilities, expected to be settled:		
Within 1 year	267	344
After 1 year	10,769	10,819
	11,036	—
Transfer to liabilities classified as held for sale (note 24)	(11,036)	—
	—	11,163

The following table presents right-of-use assets that related to investment properties are measured at fair values.

Fair value hierarchy

	Fair value measurements using		
	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000
Recurring fair value measurements			
As at 31 December 2024	—	—	—
As at 31 December 2023	—	—	15,468

Right-of-use assets of the UK (note 24) applied level 3 fair value measurement as at 31 December 2024.

There were no transfers between levels 1, 2 and 3 during the year (2023: nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

15 DERIVATIVE FINANCIAL INSTRUMENTS

	As at 31 December	
	2024 RMB'000	2023 RMB'000
Derivative assets		
Derivative financial instruments	95,443	93,186
Derivative liabilities		
Derivative financial instruments	—	41,376

The Group has entered into three (2023: four) interest rate swaps and six (2023: four) cross currency swaps as part of its financial risk management but did not account for these as accounting hedges under IFRS 9. Plain vanilla interest rate swap was used to hedge the floating interest payments of the debt instruments. Cross-currency swap was used to hedge both floating interest payment and foreign exchange risk of the debt instruments.

The aggregated notional principal amounts of the interest rate swaps as at 31 December 2024 were HK\$2,355 million and GBP 47.8 million (approximately RMB2,617 million) (31 December 2023: HK\$2,355 million and GBP47.8 million (approximately total RMB2,566 million)) with HK\$2,355 million mature on 23 September 2025 and GBP47.8 million mature on 27 January 2025 (2023: HK\$2,355 million mature on 23 September 2025 and GBP47.8 million mature on 27 January 2025).

The Group entered into six cross currency swaps swapping RMB to HK\$. The total aggregated notional principal amount as of 31 December 2024 was HK\$3,520 million (approximately RMB3,260 million) with maturity on 23 September 2025 (2023: HK\$1,950 million (approximately RMB1,767 million) with maturity on 23 September 2025).

The Group recorded net fair value gain on derivative financial instruments for the year ended 31 December 2024 amounting to RMB22,802,000 (2023: loss of RMB120,615,000) (note 8) which were charged to the consolidated income statement.

The maximum exposure to credit risk at the reporting date is the carrying values of the derivative financial instruments.

The carrying amounts of derivatives are expected to be recovered/settled within next twelve months.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

16 TRADE AND OTHER RECEIVABLES

	As at 31 December	
	2024 RMB'000	2023 RMB'000
Rent receivables (note vi)	6,315	10,223
Deferred rent receivables (note iv)	37,294	35,080
Prepayments	15,484	9,026
Other receivables	4,610	8,960
Indemnified tax recoverable (note v)	2,944	24,814
	66,647	88,103

Notes:

- (i) Trade and other receivables are mainly denominated in RMB and GBP, and the carrying amounts of these receivables approximate their fair values.
- There are no specific credit terms given to the tenants.
- Fixed monthly rentals are payable in advance by tenants in accordance with the leases while the turnover rent and daily gross receipts from tenants, and car parks are received from the car park operators in arrears.
- (ii) The Group's exposure from outstanding rent receivables and deferred rent receivables is generally fully covered by the rental deposits from the corresponding tenants (note 18).
- (iii) As at 31 December 2024 and 2023, the rent receivables and all future rent receivables in the PRC were pledged to secure the Group's interest-bearing borrowings (note 19).
- (iv) Deferred rent receivables represent the accumulated difference between effective rental revenue and actual rental receipts.
- (v) The balance represents the tax indemnity from seller in relation to the acquisition of Huizhou properties for any tax liabilities of the project company before the acquisition and the balance was unsecured, interest free, repayable on demand and denominated in RMB.
- (vi) The ageing of rent receivables, presented based on the due date, is as follows:

	As at 31 December	
	2024 RMB'000	2023 RMB'000
0 – 30 days	3,154	4,207
31 – 90 days	1,878	1,967
Over 90 days	1,283	4,049
	6,315	10,223

- (vii) The carrying amounts of trade and other receivables are expected to be recovered within the next twelve months.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

17 RESTRICTED BANK BALANCES AND CASH AND CASH EQUIVALENTS

	As at 31 December	
	2024 RMB'000	2023 RMB'000
Restricted bank balances	276,413	326,532
Cash and cash equivalents	253,820	222,893
	530,233	549,425

Cash and cash equivalents and restricted bank balances are denominated in the following currencies:

	As at 31 December	
	2024 RMB'000	2023 RMB'000
US\$	2,932	19,290
RMB	314,153	352,093
HK\$	213,122	166,241
GBP	26	11,801
	530,233	549,425

Restricted bank balances are related to bank accounts restricted under the bank borrowing facility agreements of the Group's bank interest-bearing borrowings (note 19).

The carrying amounts of cash and cash equivalent and restricted bank balances are expected to be recovered as below:

	As at 31 December	
	2024 RMB'000	2023 RMB'000
Cash and cash equivalents		
Within 1 year	253,820	222,893
Restricted bank balances		
Within 1 year	236,413	—
After 1 year	40,000	326,532
	276,413	326,532

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

18 RENTAL DEPOSITS AND TRADE AND OTHER PAYABLES

	As at 31 December	
	2024 RMB'000	2023 RMB'000
Rental deposits (note i)	195,487	211,544
Trade and other payables:		
Rental receipts in advance	53,953	59,677
Provision for other taxes (note ii)	4,449	15,003
Accrued expenses and other payables	118,892	140,442
	177,294	215,122

- (i) The carrying amount is expected to be settled based on the terms of agreement as below:

	As at 31 December	
	2024 RMB'000	2023 RMB'000
Within 1 year	58,819	71,815
After 1 year	136,668	139,729
	195,487	211,544

- (ii) Provision for other taxes represents provision for value added tax, urban construction and maintenance tax, education surcharge and stamp duty.

The carrying amounts of trade and other payables approximate their fair values, mainly denominated in RMB and GBP and are expected to be settled within twelve months.

19 INTEREST-BEARING BORROWINGS

The carrying amounts of bank borrowing are expected to be settled as below:

	As at 31 December	
	2024 RMB'000	2023 RMB'000
Bank borrowings		
Within 1 year	4,205,918	67,765
After 1 year	592,441	4,986,725
	4,798,359	5,054,490
Bank borrowing included in liabilities classified as held for sale (note 24) (note iii)	436,362	—
	5,234,721	5,054,490

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

19 INTEREST-BEARING BORROWINGS (continued)

Bank borrowings are denominated in the following currencies:

	As at 31 December	
	2024 RMB'000	2023 RMB'000
HK\$ (note i)	4,130,815	3,890,949
RMB (note ii)	667,544	735,309
GBP (note iii)	—	428,232
	4,798,359	5,054,490

The exposure of the Group's borrowings to interest rate changes and the contractual re-pricing dates at the end of the reporting year are as follows:

	As at 31 December	
	2024 RMB'000	2023 RMB'000
6 months or less	4,798,359	5,054,490

The carrying amounts of bank borrowings approximate their fair values, as the borrowings were at floating interest rate.

Notes:

- (i) The borrowing bears interest of 1.65% per annum above 1-month HK\$ HIBOR and repayable in full on 23 September 2025;
- (ii) The borrowing bears interest of 60 basis point above the loan prime rate for more than five years as announced by the National Interbank Funding Centre, repayable periodically and will mature in March 2032; and
- (iii) The borrowing is repayable in full on 26 January 2025 and bears interest of 2.20% margin plus Sterling Overnight Index Average plus Credit Adjustment Spread. As of 31 December 2024, the UK bank borrowing was transferred to liabilities classified as held for sale.

In January 2025, the Group entered into an amendment and restatement agreement to the existing facility agreement and the Group refinanced the existing borrowing. The new borrowing will be repayable in full on 26 January 2026.

As at 31 December 2024 and 31 December 2023, the Group's investment properties (note 13), derivative financial instruments (note 15), rent receivables (note 16) and all future rent receivables of the investment properties (note 23), restricted bank balances (note 17), interests in certain subsidiaries of the Group and certain assets of a subsidiary of the Group were pledged to secure the Group's loan borrowings. In addition, the Trustee (in its capacity as trustee of Spring REIT) has provided guarantee for all the loan facilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

20 DEFERRED TAX LIABILITIES

Deferred taxation is calculated in full on temporary differences under the liability method.

Deferred tax liabilities are expected to be settled after one year.

The movements in deferred tax liabilities during the year are as follows:

	Investment properties revaluation RMB'000	Acceleration depreciation allowance RMB'000	Total RMB'000
At 31 December 2024			
At 1 January 2024	100,250	9,900	110,150
Deferred tax expense recognised in consolidated income statement	2,250	10,572	12,822
At end of the year	102,500	20,472	122,972

	Investment properties revaluation RMB'000	Acceleration depreciation allowance RMB'000	Total RMB'000
At 31 December 2023			
At 1 January 2023	95,250	2,063	97,313
Deferred tax expense recognised in consolidated income statement	5,000	7,837	12,837
At end of the year	100,250	9,900	110,150

21 UNITS IN ISSUE

	Number of units As at 31 December	
	2024	2023
Balance as at beginning of the year	1,440,497,110	1,484,931,187
New units issued for Manager's fee	21,521,015	19,510,923
Repurchase of units in issue (note ii)	(2,977,000)	(63,945,000)
Balance as at end of the year	1,459,041,125	1,440,497,110

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

21 UNITS IN ISSUE (continued)

- (i) Traded market value of the units as of 31 December 2024 was HK\$1.87 (2023: HK\$2.28) per unit. Based on 1,459,041,125 (2023: 1,440,497,110) units, the market capitalisation was HK\$2,728 million (approximately RMB2,527 million) (2023: HK\$3,284 million (approximately RMB2,976 million)).
- (ii) Pursuant to the general mandate granted to the Manager by the Unitholders, the Manager (on behalf of Spring REIT) bought back a total of 2,977,000 units (2023: 64,348,000 units) at an aggregate amount of approximately RMB4,828,000 (2023: RMB140,055,000) during the year ended 31 December 2024. 2,977,000 units (2023: 63,945,000 units) bought back were cancelled during the year.

22 NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

(a) Cash generated from operating activities

	Year ended 31 December	
	2024 RMB'000	2023 RMB'000
Profit/(loss) before taxation and transactions with Unitholders	27,230	(8,561)
Fair value loss of investment properties	158,421	131,833
Fair value loss of right-of-use assets	44	187
Net fair value (gain)/loss on derivative financial instruments	(22,802)	120,615
Manager's fee expenses in units in lieu of cash	37,716	38,611
Bank interest income	(7,403)	(4,932)
Finance costs (note 9)	290,735	236,994
Foreign exchange gains	(17,760)	(21,099)
(Decrease)/increase in trade and other receivables	(1,749)	2,901
(Decrease)/increase in rental deposits	(16,057)	6,978
Decrease in trade and other payables	(27,403)	(3,317)
	402,972	500,210

Material non-cash movement:

For the year ended 31 December 2024, the Manager's fee amounting to RMB37,716,000 (2023: RMB38,611,000) was settled by issuance of new units.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

22 NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS (continued)

(b) Movement of financial liabilities arising from financing activities

The details of movement of financial liabilities arising from financing activities are as follows:

	Interest payable (included in trade and other payables) RMB'000	Interest-bearing borrowings RMB'000	Lease liabilities RMB'000	Total RMB'000
As at 1 January 2024	11,494	5,054,490	11,163	5,077,147
<i>Cash flows in financing activities</i>				
Payment of lease liabilities	—	—	(1,159)	(1,159)
Interest paid	(195,562)	—	—	(195,562)
Net proceeds from borrowings	—	145,144	—	145,144
Repayment of borrowings	—	(67,765)	—	(67,765)
Interest expense on bank borrowings (note 9)	309,601	10,866	—	320,467
Interest expense on lease liabilities (note 9)	—	—	912	912
Interest income on derivative financial instruments (note 9)	(118,165)	—	—	(118,165)
Exchange difference recognised in profit and loss	64	87,521	—	87,585
Exchange difference recognised in other comprehensive income	63	4,465	120	4,648
As at 31 December 2024	7,495	5,234,721	11,036	5,253,252
Transfer to liabilities classified as held for sales (note 24)	—	(436,362)	(11,036)	(447,398)
	7,495	4,798,359	—	4,805,854

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

22 NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS (continued)

(b) Movement of financial liabilities arising from financing activities (continued)

	Interest payable (included in trade and other payables) RMB'000	Interest-bearing borrowings RMB'000	Lease liabilities RMB'000	Total RMB'000
As at 1 January 2023	6,679	4,857,346	10,601	4,874,626
<i>Cash flows in financing activities</i>				
Payment of lease liabilities	—	—	(1,202)	(1,202)
Interest paid	(181,187)	—	—	(181,187)
Net proceeds from borrowings	—	203,720	—	203,720
Repayment of borrowings	—	(90,906)	—	(90,906)
Interest expense on bank borrowings (note 9)	289,000	(166)	—	288,834
Interest expense on lease liabilities (note 9)	—	—	893	893
Interest income on derivative financial instruments (note 9)	(103,329)	—	—	(103,329)
Exchange difference recognised in profit and loss	10	50,596	—	50,606
Exchange difference recognised in other comprehensive income	321	33,900	871	35,092
As at 31 December 2023	11,494	5,054,490	11,163	5,077,147

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

23 FUTURE MINIMUM RENTAL RECEIVABLES

As at 31 December 2024, the analysis of the Group's aggregate future minimum rental receivable under non-cancellable leases is as follows:

	As at 31 December	
	2024 RMB'000	2023 RMB'000
Within 1 year	619,428	616,502
1 – 2 years	471,155	461,364
2 – 3 years	299,832	286,603
3 – 4 years	198,995	146,101
4 – 5 years	138,841	106,042
After 5 years	163,305	204,626
	1,891,556	1,821,238

Note: Most of the operating leases are on fixed terms and of terms of 3 years (2023: 3 years).

24 ASSETS CLASSIFIED AS HELD FOR SALE/LIABILITIES ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE

As at 31 December 2024, the Group decided to dispose all 83 commercial properties in the United Kingdom (the "UK properties") through the disposal of the entire issued share capital of Hawkeye Properties 501 Limited ("HP501"), a wholly-owned subsidiary of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

24 ASSETS CLASSIFIED AS HELD FOR SALE/LIABILITIES ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE (continued)

As at 31 December 2024, assets classified as held for sale represents the investment properties and assets associated held through HP501. The liabilities associated with assets classified as held for sale represents liabilities associated with HP501. Details of the assets classified as held for sale and liabilities associated with assets classified as held for sale for HP501 are as follows:

	2024 RMB'000
Assets classified as held for sale	
Investment properties (note)	649,917
Right-of-use assets	15,587
Trade and other receivables	7,152
Restricted bank balances	3,106
Cash and cash equivalents	17,096
Derivative financial instruments	1,058
	693,916
Liabilities classified as held for sale	
Trade and other payables	10,251
Interest-bearing borrowings	436,362
Income tax payable	2,207
Lease liabilities	11,036
	459,856

Note: The investment properties held through comprised 83 commercial properties located in the United Kingdom.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

25 CONNECTED PARTY TRANSACTIONS AND RELATED PARTY TRANSACTIONS AND BALANCES

As at 31 December 2024, RCA Fund 01, L.P. is the immediate and ultimate holding company of the Group.

For the year ended 31 December 2024, the Group entered into the following transactions with related parties at mutually agreed terms in the normal course of its business.

(a) Nature of relationship with connected/related parties

The table set forth below summarises the names of the connected/related parties, as defined in the REIT Code/IAS 24 (Revised) "Related Party Disclosures", and nature of their relationship with the Group as at 31 December 2024:

Connected/related party	Relationship with the Group
DB Trustees (HK) Ltd. *	The Trustee of Spring REIT
Spring Asset Management Limited*	The Manager of Spring REIT
RCA Fund 01, L.P. (" RCA Fund ") *	A Substantial Unitholder of Spring REIT
PAG Investment Consulting (Beijing) Co., Limited (" PAG Beijing ") * #	An Associate of a Substantial Unitholder of Spring REIT
Beijing Guohua Real Estate Co., Ltd. (" Beijing Guohua ") * # (note ix and x)	An Associate of a Substantial Unitholder of Spring REIT
MIBJ Consulting (Beijing) Co., Ltd. (" MIBJ ") *	An Associate of the Manager and an Associate of a director of the Manager
Beijing Hua-re Real Estate Consultancy Co., Ltd. (" HuaRe ") *	An Associate of the Manager and an Associate of a director of the Manager
Beijing Huamao Commercial Management Co., Ltd. (" Beijing Huamao Commercial Management ") * (note xi)	An Associate of a Substantial Unitholder of Spring REIT
Huizhou Huamao Operations Management Co., Ltd. (" Huizhou Huamao Operations Management ") *	An Associate of a Substantial Unitholder of Spring REIT
Huamao Focus Limited (" Huamao Focus ") *	An Associate of a Substantial Unitholder of Spring REIT
Deutsche Bank AG and its subsidiaries (excluding the Trustee) (" DBAG ") *	Trustee Connected Persons
Zhong De Securities (" ZDS ") *	Trustee Connected Persons

* These connected parties are also considered as related parties of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

25 CONNECTED PARTY TRANSACTIONS AND RELATED PARTY TRANSACTIONS AND BALANCES (continued)

(b) Income from connected/related parties

	Notes	Year ended 31 December	
		2024 RMB'000	2023 RMB'000
Rental revenue from MIBJ	(i)	961	961
Rental revenue from DBAG and ZDS	(i)	32,831	33,834
Rental revenue from PAG Beijing	(i)	2,507	2,507
Rental revenue from Huizhou Huamao			
Operations Management	(i)	2,937	2,005
Interest income from DBAG	(ii)	3,337	233

(c) Expenses to connected/related parties

	Notes	Year ended 31 December	
		2024 RMB'000	2023 RMB'000
Property management fee to HuaRe	(iii)	9,080	10,361
Property management fee to Huizhou Huamao			
Operations Management	(iii)	28,864	23,945
Trustee's fee paid and payable to the Trustee	(iv)	2,149	2,381
Manager's fee to Spring Asset Management Limited	(v)	60,773	62,153
Bank charges to DBAG	(vi)	18	20

(d) Balances with connected/related parties

	Notes	As at 31 December	
		2024 RMB'000	2023 RMB'000
Lease deposit from MIBJ	(vii)	295	295
Lease deposit from DBAG and ZDS	(vii)	6,921	6,314
Lease deposit from PAG Beijing	(vii)	770	770
Lease deposit from Huizhou Huamao			
Operations Management	(vii)	973	431
Consideration payable to Huamao Focus	(viii)	1,201	1,201

Notes:

- (i) Rental revenue was charged in accordance with the terms of the relevant agreements with the connected/related parties.
- (ii) Interest income received on bank deposits, bank charges and settlement of a financial instrument were charged in accordance with the terms of the relevant agreements with DBAG.
- (iii) Property management services fees were charged based on mutually agreed terms between the parties.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

25 CONNECTED PARTY TRANSACTIONS AND RELATED PARTY TRANSACTIONS AND BALANCES (continued)

(d) Balances with connected/related parties (continued)

Notes: (continued)

- (iv) The Trustee is entitled to in each financial period, an ongoing fee of not more than 0.025% of the value of the deposited property payable semi-annually or quarterly in arrears, subject to a minimum of RMB672,000 per annum.
- (v) Fee to the Manager was charged in accordance with the Trust Deed.
- (vi) Bank charges was charged in accordance with the terms of the relevant agreements with DBAG.
- (vii) Lease deposits were received in accordance with the terms of the relevant lease agreements.
- (viii) The amount represents the balance of the tax holdback amount in accordance with the terms of the relevant acquisition agreements.
- (ix) The Group (as lessor) has entered into a carpark master lease contract dated 1 January 2017 and subsequently renewed with last renewal on 15 December 2023 (the "Carpark Master Lease") with Beijing Huamao Property Consulting Co., Ltd. First Branch (the "Carpark Operator") (as lessee), pursuant to which the Group's carpark spaces within the Development are master-leased to the Carpark Operator at a fixed rent, subject to an annual payment adjustment pursuant to the Carpark Management and Benefit Sharing Agreement (as described below). The Carpark Operator is an independent third party of Spring REIT.

In relation to the Carpark Master Lease, the Group (through its Beijing Property Manager) and a wholly-owned subsidiary of Beijing Guohua, both as owners of their respective carpark spaces in the Development, have jointly entered into a carpark management and benefit sharing agreement dated 22 October 2020 and subsequently renewed with latest renewal on 15 December 2023 to (i) appoint the Carpark Operator for the provision of management services in respect of the relevant carpark spaces, and (ii) set out the basis for determining the amount of the net income (after deduction of carpark management fees) generated from the carpark and each owner's entitlement thereto (the "Carpark Management and Benefit Sharing Agreement" and together with the Carpark Master Lease, the "Carpark Contracts").

Under the Carpark Master Lease, the transaction amount for the year ended 31 December 2024 was RMB4,833,284 (2023: RMB3,882,060). Under the Carpark Management and Benefit Sharing Agreement, (i) the Group's entitlement to the net income (after deduction of carpark management fees) for the year ended 31 December 2024 was RMB4,047,202 (2023: RMB4,833,285), and (ii) the Group's share of the carpark management fees for the year ended 31 December 2024 was RMB1,678,080 (2023: RMB1,678,080).

- (x) On 15 December 2023, the Group and Beijing Guohua, both as owners of their respective portion of the Development have jointly entered into a service contract for a period of 24 months to appoint Beijing Huamao Property Management Co., Ltd., the common area manager (the "Common Area Manager"), for the provision of maintenance and management services for the relevant common areas within the Development (the "Common Area Service Contract").

The Group is responsible for its portion of the management fee payable to the Common Area Manager, which is determined taking into account the Group's proportional property area. Pursuant to the Common Area Service Contract, the management fee payable by the Group to the Common Area Manager is settled via deduction from the building management fees paid directly by the tenants of the Group to the building manager, and such management fee amount for the year ended 31 December 2024 was RMB3,284,852 (2023: RMB3,284,852). The Common Area Manager is an independent third party of Spring REIT.

- (xi) On 21 December 2021, Beijing Huamao Property Consulting Co. Ltd.* (the "Building Manager") (as a delegate of RCA01) and Beijing Huamao Commercial Management Co. Ltd.* (the "Digital CCP Service Provider") entered into an agreement under which the Digital CCP Service Provider agreed to provide certain property digital system services (the "Digital CCP System Service Contract") to the Spring REIT CCP Properties and the tenants. Pursuant to the Digital CCP System Service Contract, the service fee for the Reporting Year was nil (2023: nil).

No transaction was entered with the directors of the Manager (being the key management personnel) for the year ended 31 December 2024 (2023: Nil).

- # The Company has no official English name. The above unofficial English translation is for identification purpose only. Please refer to Chinese version of annual report for official Chinese name.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

26 PRINCIPAL SUBSIDIARIES

	Place of establishment and kind of legal entity/place of operations	Principal activities	Particulars of issued share capital	Interest held	
Name				2024	2023
Directly held:					
RCA01	Cayman Islands, limited liability	Property investment	1,000 of US\$1 each	100%	100%
RUK01 Limited	Jersey, limited liability	Investment holding	1 of GBP1 each	100%	100%
RHZ01 Limited	British Virgin Islands, limited liability	Investment holding	1 of US\$1 each	100%	100%
Indirectly held:					
Huamao Capital Focus 03 Limited	British Virgin Islands, limited liability	Investment holding	1 of US \$1 each	100%	100%
Hawkeye Properties 501 Limited	Jersey, limited liability	Property investment	2 of GBP1 each	100%	100%
Huizhou Runxin Shopping Mall Development Co., Ltd.	PRC, limited liability	Property investment	RMB400,000,000	68%	68%

The above list contains only the particulars of the subsidiaries which principally affect the results or assets and liabilities of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

27 FINANCIAL INSTRUMENTS BY CATEGORY

	Notes	Year ended 31 December	
		2024 RMB'000	2023 RMB'000
Financial assets			
<i>Financial assets at amortised cost:</i>			
Trade and other receivables	16	24,077	35,037
Restricted bank balances	17	276,413	326,532
Cash and cash equivalents	17	253,820	222,893
<i>Financial assets at fair value through profit and loss:</i>			
Derivative financial instruments	15	95,443	93,186
		649,753	685,621
Financial liabilities			
<i>Financial liabilities at amortised cost:</i>			
Accrued expenses and other payables	18	127,493	140,442
Rental deposits	18	195,487	211,544
Interest-bearing borrowings	19	4,798,359	5,054,490
Lease liabilities	14	—	11,163
<i>Financial liabilities at fair value through profit and loss:</i>			
Derivative financial instruments	15	—	41,376
		5,121,339	5,459,015

The Group's exposure to various risks associated with the financial instruments is discussed in note 3. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial assets mentioned above.

28 SUBSEQUENT EVENTS

On 18 February 2025, the Group entered into a sale and purchase agreement with an independent third party of the Group to dispose of the UK properties (note 24). The disposal was approved by Unitholders on 10 March 2025 and is expected to be completed by March 2025.

29 APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were authorised for issue by the Manager on 24 March 2025.

PERFORMANCE TABLE AND OTHER INFORMATION

Year ended 31 December	2024	2023	2022	2021	2020
Net assets attributable to Unitholders	RMB5,887.41 million	RMB6,130.66 million	RMB6,558.84 million	RMB6,671.65 million	RMB6,432.90 million
Net assets per Unit attributable to Unitholders	HK\$4.92	HK\$4.70	HK\$4.95	HK\$5.56	HK\$5.23
Total borrowings as a percentage of gross assets	38.0%³	39.5%	37.6%	30.0%	31.1%
Market capitalization ¹	RMB2,526.50 million	RMB2,976.26 million	RMB3,183.57 million	RMB3,096.89 million	RMB3,319.57 million
Units issued	1,459,041,125	1,440,497,110	1,484,931,187	1,472,383,580	1,460,872,865

For the year ended 31 December	2024	2023	2022	2021	2020
Highest traded unit price	HK\$2.30	HK\$2.58	HK\$2.90	HK\$3.00	HK\$3.29
Highest premium of the traded unit price to net assets per Unit	N/A	N/A	N/A	N/A	N/A
Lowest traded unit price	HK\$1.77	HK\$1.83	HK\$2.07	HK\$2.52	HK\$2.00
Highest discount of the traded unit price to net assets per Unit	58.74%	61.06%	58.18%	54.68%	61.80%
Distributions per Unit ²	HK16.6 cents	HK19.0 cents	HK21.2 cents	HK22.0 cents	HK20.0 cents
Net yield per Unit ²	8.9%	8.3%	8.8%	8.5%	7.4%

Notes:

- 1 Market capitalization is calculated based on the closing unit price of the period times the unit outstanding as at the end of the period.
- 2 Net yield per Unit is calculated based on distribution per Unit for each period to the closing price as at the end of each period.
- 3 If bank borrowing, included in liabilities classified as held for sale (which was referring to the UK Portfolio) were included, the Group's gearing ratio was 41.4% as at 31 December 2024.

TOP 5 REAL ESTATE AGENTS AND CONTRACTORS FOR THE REPORTING YEAR

Real estate agents and contractors	Nature of services	Value of contract/ commission paid (RMB'000)	Relevant percentage
Huizhou Huamao Operations Management Co., Ltd.	Property management	28,864	45.0%
Beijing Hua-re Real Estate Consultancy Co. Ltd. 北京中屹宏大建设工程有限公司	Property management Renovation works, repairs and maintenance	9,080 3,792	14.1% 5.9%
Cushman & Wakefield Consulting (Beijing) Co., Ltd. 北京皖南東海建築工程有限公司	Leasing services Renovation works, repairs and maintenance	3,591 2,669	5.6% 4.2%
TOTAL		47,996	74.8%

CORPORATE INFORMATION

THE MANAGER

Spring Asset Management Limited
Room 2602, 26/F, LHT Tower, 31 Queen's Road Central,
Central, Hong Kong
Tel: +852 3100 0300
Fax: +852 3100 0320

BOARD OF DIRECTORS OF THE MANAGER

Chairman and Non-executive Director

Mr. Toshihiro Toyoshima

Executive Directors

Mr. Leung Kwok Hoe, Kevin
Mr. Chung Wai Fai, Michael

Non-executive Director

Mr. Hideya Ishino

Independent Non-executive Directors

Mr. Simon Murray
Ms. Tong Shumeng
Mr. Qiu Liping
Mr. Lam Yiu Kin

RESPONSIBLE OFFICERS OF THE MANAGER

Mr. Leung Kwok Hoe, Kevin
Mr. Chung Wai Fai, Michael
Mr. Chan Chun Tung (effective from 10 April 2024)
Ms. Bai Yanan (cessation on 28 June 2024)
Mr. Wang Junsong (effective from 3 December 2024)

COMPANY SECRETARY OF THE MANAGER

Fair Wind Secretarial Services Limited

INDEPENDENT AUDITOR

PricewaterhouseCoopers
Certified Public Accountants
Registered Public Interest Entity Auditor

INTERNAL AUDITOR

BDO Risk Advisory Services Limited

TRUSTEE

DB Trustees (Hong Kong) Limited

PRINCIPAL VALUER

Knight Frank Petty Limited

LEGAL ADVISORS

Baker & McKenzie

UNIT REGISTRAR

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

INVESTOR RELATIONS

Email: ir@springreit.com

STOCK CODE

Hong Kong: 1426

WEBSITE

www.springreit.com



Spring Real Estate Investment Trust
春泉產業信託

Stock Code : 01426

www.springreit.com

Managed by
Spring Asset Management Limited

